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Vol. 39

S. Crawford in Barry Bldg.



IN THE MATTER OF The Public Inquiries Act, being Chapter 258 of The Revised Statutes of Alberta, 1955, and Amendments thereto; and,

IN THE MATTER OF an Inquiry by a Royal Commission into the matters set out in Order-in-Council 861/67 respecting the use or attempted use by the Honourable Alfred J. Hooke of his office as a member of the Executive Council of Alberta, and the use or attempted use by Edgar W. Hinman of his office as a member of the Executive Council of Alberta.

PROCEEDINGS BEFORE THE HONOURABLE MR. JUSTICE W. J. C. KIRBY

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W. ALAN SHORT, ESQ.,
Clerk to the Commission.

VOLUME No. 39

DATE November 21, 1967
(Pages 4133 - 4227)

Supreme Court Reporters
EDMONTON, ALBERTA

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1-B-1

A. Hawkins - Clement Ex.

PROCEEDINGS before The Honourable
Mr. Justice W. J. C. Kirby, this
21st day of November, A.D., 1967,
at 9:00 o'clock in the morning, at
the Court House, in the City of
Edmonton, Province of Alberta.

MR. CLEMENT: Call Mr. Hawkins.

ALFRED HAWKINS, recalled, examined by Mr. Clement:

MR. CLEMENT: My Lord, Mr. Brownlee is here, he is
of counsel for the County of Strathcona, sir.

THE COMMISSIONER: Mr. Brownlee.

Q MR. CLEMENT: Mr. Hawkins, you are still under oath
for the purposes of this Inquiry?

A Yes.

Q It was left, you recall, on Friday, that you would look
into the assessment and taxation records of the County in
respect of certain lands owned by Mr. Hooke?

A Right.

Q And within its jurisdiction, and I believe you have found
those records and prepared some copies for the Inquiry?

A That is correct, sir.

Q Could we just -

A There is four of them.

Q Yes. You have now produced, Mr. Hawkins, what I take to be
a summary of the taxation record of the South West Quarter of
27, 52, 23, West of the 4th for the years 1954 to 1959
inclusive?

A That's right.

1-B-2

A. Hawkins - Clement Ex.

Q And, Mr. Commissioner, you will recall that the South West of 27 was the original quarter that Mr. Hooke purchased back in 1951.

Would you explain to Mr. Commissioner, please, what this first sheet contains then, this summary?

A Well, this shows the assessment in 1954 made up of land at forty-five sixty and that amount was taxed, there is no change on it.

Q Just a moment, so that we will be clear: the assessment according to your records was on that quarter as farm land?

A That is correct.

Q Yes, so that no buildings would show?

A No buildings were assessed.

Q Yes?

A In 1955 the acreage had gone down a little bit on account of the subdivided area. The land was assessed at forty-two ninety. Again there was no change from the amount assessed and the amount taxed.

In the year 1956, although the acreage had gone down, the assessment was raised considerably to \$9,220.00.

Q Do you know on what basis that -

A I imagine on the basis of the new assessment and taking into account the potential value of the unsubdivided land adjoining the land that was being subdivided for the Campbelltown townsite.

Q I see, the usage being made of the adjacent land and the land which had been removed from this then was taken into account

1-B-3

A. Hawkins - Clement Ex.

Q (Cont.) in increasing the value of what remained?

A That is correct, sir.

Q And throughout this period it is, of course, established conclusively that Mr. Cook was the assessor?

A That is correct.

Q Now, all right, would you finish your summary then and I will come back?

A In 1957, again the acreage was depleting, it was down to ninety-one acres then. The land was assessed at \$6,340.00. Mr. Hooke appealed the assessment. It was heard by the Court of Revision. It was reduced to \$3,060.00. I have appended to it a copy of the Minutes of the Court of Revision showing that that was made by the Court of Revision.

In 1958 the land was assessed at \$1,740.00, we were down to a fairly small acreage then, I believe around twelve acres, and then the buildings were assessed.

Q On what footing, why would you now bring the buildings into assessment?

A The assessor assessed them, sir, I imagine that in the assessor's estimation they were not farm buildings now on account of the small acreage.

Q Very well.

A The buildings were assessed for \$7,680.00. Mr. Hooke again appealed his assessment. The land value of seventeen forty was confirmed by the Court of Revision. The buildings were reduced to \$5,760.00. Again I have appended the Minutes of the Court of Revision.

1-B-4

A. Hawkins - Clement Ex.

Q I will come to that.

A In 1959 on a small acreage the land was assessed for \$1,540.00. The buildings were assessed for \$5,150.00. There was no appeal and that is the amount that was taxed.

In 1959 was the last year there was any assessment on the South West of 27, in subsequent years it has been all subdivided.

Q Yes.

A So that assessment died.

Q Yes. Now, you have annexed to this summary a form headed "M. D. of Strathcona number 83, assessment and tax roll"; would you explain to Mr. Commissioner what that document is?

A This is our official tax, assessment and tax roll sheet. It shows the assessments at the top for each year and any changes made by the Court of Revision.

Q Just a moment, let's first identify the sheet.

A Well, it is for the South West of 27, 58, 23, 4, that was originally in the name of Kaplain and the name was changed to A. J. Hooke.

Q Yes, that shows on the document?

A Right.

Q Yes, and then what information is put on that sheet and where is it obtained from?

A Well, first of all the assessment is put on this sheet from the assessment records.

Q What do those consist of?

A A farm sheet if it is just farm land or a card, an assessment

1-B-5

A. Hawkins - Clement Ex.

A (Cont.) card if it is other than farm land.

Q Prepared by whom?

A Mr. Cook, the assessor at that time.

Q And then the basis of that, of the information on that sheet is a card prepared, a card or sheet prepared by Mr. Cook?

A That is correct.

Q And how does it get on there, by what process?

A On our records?

Q Yes?

A Well, at the end of the assessment time Mr. Cook turns his cards in to the office and the staff do this.

Q Transcribe it from them?

A And put it on this, and then give the cards back to the assessor.

Q I see, so that reflects, you might say the mechanical process of transcribing by a stenographer from the document furnished by Mr. Cook to that sheet?

A Yes, but it is not done by stenographer, it has to be done by one of the senior members of the staff.

Q I see, very well, excuse me. And that is how that sheet came to be prepared and how the information in it was derived?

A That is correct.

Q Yes. Then, without going into it in detail, Mr. Hawkins, is this assessment and tax roll, are the figures shown in the assessment and tax roll accurately reflected in the summary which we have just been discussing?

A That is correct.

1-B-6

A. Hawkins - Clement Ex.

Q You have verified that?

A I do.

Q Now, then we come to another document, two documents, annexed to the summary; the first is the minutes of the Court of Revision of the Municipal District of Strathcona, September 24th 1957; you relate that to the notation in the summary dealing with the year 1957?

A Yes, that gives, shows why the assessment was changed from the assessor's records to our tax records.

Q Yes. This, these minutes deal with a number of appeals?

A Yes.

Q One, two, three, four -

A There was more, I have got the originals here, I just made photostats of the actual page that dealt with Mr. Hooke.

Q Yes?

A On one of them we have close to six hundred appeals and it would be kind of bulky, a kind of bulky document.

Q Well then, without getting further into that, on this page that you have photostated and produced there is shown the appeal of Alfred J. Hooke, appeal number 4, Alfred J. Hooke against the land assessment amounting to \$6,340.00 on a parcel of 91.29 acres on the South West of 27, 52, 23 West of the 4th. The appeal was on the ground that the assessment was not comparative with adjoining lands. After due consideration it was moved by E. Keith that the land assessment on the South West of 27 be reduced from \$6,340.00 to \$3,060.00. That is the record that you have of that

1-B-7

A. Hawkins - Clement Ex.

Q (Cont.) meeting?

A That's right.

Q Sir, may I direct your attention that the minute shows one, two, three, four, five; five councilors present with Mr. Keith as the Chairman and also present Assessor J. E. Cook and Assistant Assessor Lloyd Abram. May I tender this document in evidence.

THE COMMISSIONER: Exhibit 425.

MINUTES OF COURT OF REVISION
AS PRODUCED MARKED EXHIBIT 425.

Q MR. CLEMENT: Now, you are producing another document of a similar nature, Mr. Hawkins?

A Yes.

Q Would you tell Mr. Commissioner what this set is, starting with the first; is that a summary?

A This is a summary of the assessment and taxation on Block N in Plan 5322.KS, which is located immediately across the road and south of the South West of 27.

Q Yes?

A This is Mr. Hooke's purchase that he moved over to.

Q Consisting in how many acres?

A Originally it was fourteen something, if I remember right. I will just get my plan here.

Q Yes?

A 14.97 acres. This was later reduced when part of the land was subdivided.

Q Mr. Commissioner, this appears on Exhibit 174, as I recall it.

1-B-8

A. Hawkins - Clement Ex.

Q (Cont.) Do you wish me to have this brought out again so that it can be followed?

MR. WRIGHT: 172.

Q MR. CLEMENT: 172, excuse me. It is the large map in color, would you like that put out, sir, to follow this?

THE COMMISSIONER: Oh, I don't think it is necessary, no.

MR. CLEMENT: Very well. It is the piece, as Mr. Hawkins has said, immediately south of the South West of 27, and has been described in evidence before.

THE COMMISSIONER: I think that that map was up there so long and in colors that I think it is pretty well indelible in all of our minds in appearance.

A Well, this plan was registered in 1958, it was first assessed in the year 1959.

Q MR. CLEMENT: And this was assessed as a subdivided parcel?

A As a subdivided parcel.

Q Yes?

A In 1959 it was assessed for land only, there were no buildings on it at the time, at \$1,270.00. There was no appeal. The tax was based on that.

In 1960 it was assessed for land \$1,380.00, \$5,180.00 for buildings. There was no appeal and it was taxed on that basis. And at this time Mr. Hooke resubdivided that into Lot 27, it came into being so that the balance of Lot N, in other words there were no buildings on it, the part that the buildings were on was subdivided into Block 27.

1-B-9

A. Hawkins - Clement Ex.

Q Yes. Now, just let us make sure we have this correctly.
In 1960 the land and buildings were assessed in respect of
Block N?

A That is correct.

Q By the time the 1961 assessment rolled around there had been
a further subdivision of Block N?

A That is correct.

Q And in the result land assessed at \$1,210.00 remained in Mr.
Hooke's name?

A Correct.

Q With no buildings?

A That is correct.

Q And the assessment was made on that footing?

A And the same for 1962.

Q Yes?

A And then at the end of 1962 Block N completely disappeared,
it was completely resubdivided.

Q There is a notation "buildings moved in June 1959", does
that mean they were moved on to this property?

A That is correct.

Q After the assessment had been made, I presume?

A Right, yes.

Q So that they were caught -

A These buildings we are referring to were actually assessed on
the South West of 27 in 1959.

Q I see.

A And the following year they were assessed in the Block N,

1-B-10

A. Hawkins - Clement Ex.

A (Cont.) there was no miss there, they were assessed each year.

Q And then you have annexed to it the assessment and tax roll for Block N, which is prepared in the same way?

A Right.

Q That you have described in the previous Exhibit?

A Right.

Q From data furnished by Mr. Cook?

A Correct.

Q And there is also annexed to it, what is this document?

A That is another card, we were changing cards at that time so that this was the card for two years and this is the card for one year.

Q The two years of the first sheet being 1959 and '60?

A '59 and '60, this is '61 and '62. Pardon me, '61 and '62, correct.

Q Yes, and what is the final -

A The final is a copy of the assessor's assessment for that showing the assessment of buildings at fifty-one eighty, and there is another one showing the assessment of land at twelve ten, which show on that summary sheet.

Q Now, let us go back to the summary sheet: the total assessed value five thousand one hundred and eighty?

A This is the copy, fifty-one eighty.

Q Five thousand one hundred and eighty?

A The amount shown there.

Q Which is the amount assessed by Mr. Cook?

1-B-11

A. Hawkins - Clement Ex.

A Correct.

Q On the buildings, and is shown in these documents as a value for assessment purposes, for taxation purposes?

A That is correct.

Q And what is the final document?

A This is the land assessment after having resubdivided a portion left in Block N.

Q This is -

A Of 10.21 acres.

Q This document is prepared by Mr. Cook?

A Prepared in his office, yes, it looks like it is another assessor's writing but it was prepared in Mr. Cook's office, an assessment document.

Q So that those figures on these assessment forms prepared by Mr. Cook or in his office are transcribed accurately into the tax roll?

A Correct.

Q May I tender this, sir?

THE COMMISSIONER: Exhibit 426.

TAXATION DOCUMENT AS PRODUCED
MARKED EXHIBIT 426.

Q MR. CLEMENT: What is the next one, Mr. Hawkins?

A The next one is Lot 27 in Plan 963.MC which was originally part of Block N, the plan was registered in 1960, it was first assessed in 1961. There has been a fairly constant assessment on this for the years 1961, '62, '63 and '64. The land was assessed for \$600.00, the buildings were five

1-B-12

A. Hawkins - Clement Ex.

A (Cont.) thousand one eighty. There was no appeal so that those amounts were taxed. We had a new general assessment-

Q Now, '61, '62, '63 and '64 have the same figures?

A Right.

Q For the land and the improvements for each year?

A Correct.

Q Yes?

A Yes, and then in 1964, which came into effect in 1965, we had a new general assessment which raised the assessment to eight sixty for land and \$10,210.00 on buildings. They were not appealed. Those were the figures that are reported at the present time.

Q They continue 1965, 1966, 1967, and the tax was paid on that basis?

A Right.

Q Then what are the accompanying documents, Mr. Hawkins?

A The accompanying documents, the first one is a copy of our tax assessment and tax roll sheet showing the assessment.

Q From which this summary in the first sheet was prepared?

A Correct.

Q And the subsequent -

A Is the assessor's record.

Q - two documents?

A Showing how the assessments were made up.

Q Those are from Mr. Cook or his office?

A Right, his initials show here so that I imagine he made it, and this is actually, I believe this is the old assessment

1-B-13

A. Hawkins - Clement Ex.

A (Cont.) and this is the new, and that is correct.

Q And it is from these last two documents that the assessment roll itself was prepared?

A That is correct.

Q And the assessment roll accurately reflects what the assessor had assessed the properties at?

A That is correct.

Q May I tender that, sir.

THE COMMISSIONER: Exhibit 427.

ASSESSMENT DOCUMENTS AS PRODUCED
MARKED EXHIBIT 427.

Q MR. CLEMENT: And, finally, we come to this set of papers, Mr. Hawkins?

A This is Lot 23, Plan 4382.MC, which also was originally part of N. The plan was registered in 1962, it was first assessed in '63. In 1963 and 1964 there were no buildings on this parcel, there was just a land assessment of \$660.00.

In 1965 the land assessment was increased to \$950.00, the buildings were assessed for \$8,340.00. They were appealed. This is the appeal I referred to last time I was on the stand that had been reduced by the recommendation of the assessor to \$7,530.00.

1-M-1

A. Hawkins - Clement Ex.

Q That is, a reduction on improvements alone, not on land?

A Not on land, on improvements alone.

Q From \$8,340.00 to \$7,530.00?

A Yes.

Q And -?

A And this assessment has remained in force since then, including this year.

Q 1965-'6-'7 - all the same?

A Right.

Q Now, annexed to that, then, is the assessment and tax roll for this parcel for those years?

A Right.

Q And also annexed - ?

A That is the Court of Revision on that change - Mr. Hooke is now down here, showing -. That was the Court of Revision Minutes covering the reduction already referred to.

Q Appeal No. 283, A.J. Hooke, Lot 27, Lot 23 - ?

A The appeal was made on both Lot 27 and 23. There was no change made on Lot 27 by the Court of Revision. Lot 23 was reduced from \$8,340.00 to \$7,530.00 - on buildings only.

Q Yes, and then we have here - the final three documents are-?

A Actually two.

Q Oh.

A This is the land assessment referred to for here - six-sixty-.

Q Just a moment now. The land assessment - ?

A For the first two years was six-sixty - that is the

1-M-2

A. Hawkins - Clement Ex.

A (Continued) assessment document for that.

Q Without -?

A No buildings on it.

Q No buildings - and prepared again by Mr. Cook or in his office?

A Correct.

Q And the figure of six hundred and sixty is reflected in the assessment and tax roll?

A Correct.

Q And next?

A The next is the assessment of the buildings, and you can see originally eighty-three forty, and then it was changed on the recommendation of the assessor by the Court of Revision to seventy-five thirty. It has been changed on the assessment card for record.

Q You said "changed", by the Court of Revision, upon the recommendation of the assessor.

A Correct.

Q Is that what you mean?

A Correct.

Q And what happened there?

A Well, when the appeal came up evidently the assessor, by going - by going over the records, evidently allowed more depreciation on the old buildings than had been originally allowed, which reduced the assessment. You can see that the amount of depreciation has been changed from 14.5, I

1-M-3

A. Hawkins - Clement Ex.

A (Continued) believe, to 24.3 percent.

Q This was the assessor's work?

A It's on his card and I imagine it was either made by him or one of the assistant assessors.

Q I see.

A But I definitely remember the assessment was lowered by the Court of Revision on the recommendation of the assessor. I distinctly remember that.

Q Mr. Hawkins, do you have the original record of the assessment appeals in 1964?

A Yes sir - a pile of them.

Q In full?

A Yes, there is a pile of them; there was five hundred and thirty-six appeals.

Q Could I have the first sheet, please?

A The first sheet is right there, sir.

Q The first sheet, 1965 - the first sheet, sir, which I won't put in evidence but I do wish to read, shows the 1965 Court of Revision sitting on March 26th - no, March the 22nd to 26th, inclusive, and April the 5th to the 28th - April 5, 6, 7, 8, 9, 20, 21, 22, 27 and 28. There were present four councillors. There is present Mr. Hawkins, the Clerk, Mr. Tomlinson, the Assistant Clerk, and there was present Mr. Cook, the Assessor, Mr. Harder, an Assistant Assessor, and Mr. Abram, an Assistant Assessor. Now, sir, may I tender this last group of documents relating to Lot 23?

1-M-4

A. Hawkins - Clement Ex.
- Gill Ex.

THE COMMISSIONER:

Exhibit 428.

ASSESSMENT DOCUMENTS
RELATING TO LOT 23, AS
PRODUCED, MARKED EXHIBIT 428.

MR. CLEMENT:

Would you answer my friends, please?

MR. GILL EXAMINES WITNESS:

Q Mr. Hawkins, do you recall giving evidence here on November 16th, in Volume 37: you were asked by me at Page 3937:

"Q Did Mr. Hooke ever take his tax matters to a Court of Revision?

A On one occasion."

A That's correct, I said that.

Q And you would like to correct that answer?

A I would correct it and say it was on three occasions.

Q On three occasions; and when I asked you on Page 3937:

"Q When was that?"

Referring to the one occasion, your answer was:

"A I'm not too sure; it would be about two or three years ago.

"Q I see, but not before that?

A No."

You would like to correct that answer?

A Yes, I had not recalled the previous two appeals.

Q And do you have the actual assessment cards, the field cards that Mr. Hooke and his assistant would bring in to the municipal office?

A We have them all except for the ones on the North West of 27

1-M-5

A. Hawkins - Gill Ex.

A (Continued) - I'm sorry, the South West of 27, which are not on the file, and which is not unusual: they were probably destroyed because it is an old assessment and we generally don't keep them back that far; so we have all the rest. I have some here - I haven't got the current ones: I left them at the office because these are current records and we are using them all the time, but I have the other ones. We have photostats - we have the originals on file also.

Q But you don't actually have and you can't find the assessment record cards, the field cards that Mr. Cook brought in, for the years 1954, say, to '59, for the South West Quarter of 27?

A On the cards - we have the farm sheets when it was assessed as farm land; we have those, but we have not the assessment cards similar to those.

Q And those would be the cards from which the information on Exhibit 425 would be transcribed?

A Some of it would be; and some of it would be, I imagine, from the original farm sheets when we had the first - '54 - '55 - I imagine it was from the farm sheets because it was strictly a farm land assessment at that time.

Q Would there be a possibility of change from the record of Mr. Cook as brought in from his actual field inspection to what is transcribed on that assessment record and tax notice?

A It would be practically impossible under the system we use.

1-M-6

A. Hawkins - Gill Ex.

Q But there could be a possibility of change?

A There's always a possibility, but it would be very, very small.

Q I see. Did Mr. Cook ever complain to you about the assessments, the final assessments on Mr. Hooke's land?

A Not to my knowledge.

Q I see. Were you present when Mr. Cook complained about Mr. Hooke's assessment, his final assessment, in the presence of members of the Council of Strathcona?

A I never heard Mr. Cook complain about Mr. Hooke's assessment to any member of the Council.

Q I see. At Page 4065, on Friday, November 17th, I think you were in the Courtroom when Mr. Cook was asked if he had discussed the matter of Mr. Hooke's taxation, and his answer:

"A Oh, I discussed Mr. Hooke's taxation with all the councillors at different times, and with the whole council at different times."

Did that happen, to your recollection?

A He could have; he discussed a lot of assessments - whether - if - not to my recollection did he ever actually discuss Mr. Hooke's assessment.

Q Do you know any reason why Mr. Cook would make this answer - Page 4066? He was asked:

"Q Very simply, Mr. Cook, do you feel

1-M-7

A. Hawkins - Gill Ex.
- Wright Ex.

Q. (Continued)

"Q (Continued) that Mr. Hooke was paying
his proper taxation as assessed by you?
Yes or no, sir?"

And his answer was:

"A Well, to put it that way I have to say
no. I have no reason today to come
here and say yes to that."

A No, I was very surprised to hear Mr. Cook say that.

Q Thank you.

THE COMMISSIONER: Mr. Bowen?

MR. BOWEN: No questions, sir.

THE COMMISSIONER: Mr. Crawford?

MR. CRAWFORD: No questions.

THE COMMISSIONER: Mr. Wright?

MR. WRIGHT EXAMINES WITNESS:

Q I believe you told us that Mr. Hooke never appeared
personally at any of these Courts of Revision.

A That is correct, sir.

Q Yes. Well, on what basis was the reduction made, then?

A The first two, Mr. Hooke submitted a written appeal, which
I have here.

Q Yes.

A I might say that our Court of Revision gives the same
consideration to an appeal whether the person is present
or not.

1-M-8

A. Hawkins - Wright Ex.

Q Yes.

A And Mr. Hooke had appealed both these in writing, and I have them here.

Q Yes. These are the first two, and the third?

A The third one as - he didn't - he just appealed it, and as I said, the reduction was made on the recommendation of the assessor.

Q Well, this is unusual, I suppose?

A No, no, it's not, Mr. Wright. It is quite common.

Q Well, was no reason stated for the appeal on the third occasion?

A To be quite honest I didn't look it up, because I knew why the reduction was made.

Q Was there any conversation with Mr. Hooke regarding these appeals?

A Conversation with who?

Q With Mr. Hooke, regarding these appeals, following receipt of his appeals?

A No.

MR. CLEMENT: The question was whether - who was Mr. Hooke supposed to have - to be conversing with.

Q MR. WRIGHT: With you, or -?

A No, no, he sent these appeals in in the normal manner, and they were dealt with in the normal manner.

Q And have you compared the field notes, or whatever you call them - what do you call them? The assessor's tax sheet?

1-M-9

A. Hawkins - Wright Ex.
- Maynard Ex.

A Yes.

Q Assessor's -?

A Assessor's cards or assessor's sheets.

Q I see - cards with the assessor's - with the assessment rolls, in each case?

A I just said I did, except for the South West of 27 -.

Q Would you - ?

A The rest all agreed.

Q Yes, and they are the same?

A Yes, I have appended copies with that, with what was put in evidence.

Q Yes, thank you.

THE COMMISSIONER:

Mr. Maynard?

MR. MAYNARD EXAMINES WITNESS:

Q Thank you, Mr. Commissioner. Mr. Hawkins, do the auditors check from year to year any changes in the assessment that is made on the municipal records?

A They sure do.

Q What is the nature of their check, and what purpose?

A Any change made on the assessment card that we can't substantiate by a Minute of the Court of Revision or an Order of the Alberta Assessment Appeal Board, we really hear about it.

Q And in connection with the assessment made on Mr. Hooke's land have you heard from the auditors?

A No, not a word.

1-M-10

A. Hawkins - Maynard Ex.

Q They were satisfied that everything was in order?

A In fact we have never been, shall I say, bawled out by them at any time, because we make sure no changes are made.

Q For anybody?

A For anybody.

Q Now, Mr. Hawkins, I refer to the statement that was read to you a moment ago from Mr. Hooke's evidence, and I would like to ask you this question -.

MR. GILL: What page are you at, Mr. Maynard?

MR. MAYNARD: 4066 - a statement made by Mr. Cook -

I'm not going to read it but I want to ask this question,

Mr. Hawkins: did Mr. Hooke pay his proper taxation according to the assessment on your records?

A Absolutely.

Q MR. MAYNARD: Fine, thank you.

THE COMMISSIONER: Mr. Brownlee, have you any questions?

MR. BROWNLEE: I have no questions, sir.

THE COMMISSIONER: Mr. Clement?

MR. CLEMENT: No, thank you, sir.

THE COMMISSIONER: Thank you, Mr. Hawkins.

A Thank you.

(The Witness Retires.)

MR. BROWNLEE: May I withdraw, sir?

THE COMMISSIONER: Yes, thank you, Mr. Brownlee.

MR. CLEMENT: Call Mr. Robinson, please.

1-M-11

G.J. Robinson - Clement Ex.

GERALD JOSEPH ROBINSON, sworn, examined by Mr. Clement:

Q Mr. Robinson, you are a chartered accountant?

A That is correct.

Q Pardon?

A Yes.

Q Yes, and you are practising your profession in the firm of Christenson, Morrison & Company in Edmonton?

A Yes.

Q And you have practised your profession in Edmonton for a considerable number of years?

A Since 1948.

Q Now, you are brought here, Mr. Robinson, to inform the inquiry in respect of the financial position of Mr. Hooke insofar as you have had occasion to audit it, and particularly in relation, as I understand it, to Sherwood Park, and perhaps there may be other aspects that you are familiar with.

A Yes.

Q Could we deal with Sherwood Park, sir? The evidence has been that Mr. Hooke bought a quarter section of land, the South West of 27, which later became involved as part of Sherwood Park. He bought that in 1951, and at a subsequent date he gave an option to Mr. Campbell to purchase, and Mr. Campbell assigned the option to purchase to a company which ultimately became known as Sherwood Properties Limited, and that that option was taken up piecemeal. I believe Mr.

1-M-12

G.J. Robinson - Clement Ex.

Q (Continued) Hooke also acquired some other interests in that area. Now, did your examination of the records disclose what Mr. Hooke paid for the land?

A Yes.

Q For the quarter section?

A Yes, the records - the records that I have - which incidentally are mostly just my working sheets -.

Q Yes.

A - because, as most farmers, Mr. Hooke didn't keep a formal set of books: synoptic, general ledger, and this sort of thing that a businessman might; so he used to bring us each year the transactions that took place during the year, usually the vouchers and receipts for cattle and this sort of thing, so that -.

Q Well, now -.

A - with respect to the - I could just explain - with respect to the real estate, of course, we have examined the documents -.

Q Yes.

A - in the year in which it happened, or the year that we made these sheets, but I don't have formal records - they are just work sheets.

Q Well, there are records in respect of the purchase price. I just want to know what figure you used.

A We show that he purchased from Shep Kaplan, October 27th, 1951, the South West Quarter of 27-52 - for the sum of

1-M-13

G.J. Robinson - Clement Ex.

A (Continued) \$50,000.00.

Q Yes. Now, Mr. Robinson, we're not concerned with money - whether money was made or lost in the farming operations he carried on there - or whatever operation it was that he carried on there, while he was carrying it on. We are concerned with how he disposed of it and what the end result of that was. Now, if you would then confine yourself to the South West of 27 for a start.

A Well, according to the records that I have, Mr. Hooke sold Campbelltown - that is, Section 27 -.

Q That is -.

A - in a series of sales, really, although there was one overriding agreement.

Q That is the South West of 27, and that's the reason I referred to the matter as being of a piecemeal nature.

A Yes. There was one overriding agreement, but the sales took place as the land was transferred; and in 1955 there were 30.67 acres transferred at \$500.00 an acre, which amounted to \$15,335.00; in 1956 there was 44.90 acres transferred for a sale price of \$22,450.00; in 1957 there were 7.90 acres transferred at \$3,950.00, and in 1958 there were 56.53 acres at \$500.00 an acre, and in '58 and '59 the balance of 20 acres was transferred at \$2,000.00 an acre.

Q Yes.

A For a total of \$40,000.00.

Q That is, the aggregate of all those transactions which

1-M-14

G.J. Robinson - Clement Ex.

Q (Continued) resulted in the entire quarter section being transferred away, amounted to -?

A There was 160 acres sold for \$110,000.00.

Q A hundred and sixty acres sold for \$110,000.00?

A Yes.

Q And that cleared out that transaction?

A This is right, although, as part of the final deal on the 20 acres the purchaser was required to move the buildings from that property to property Mr. Hooke had purchased across the way.

Q South?

A South.

Q Yes?

A Yes, and one building - the house was moved onto a lot in Campbelltown, which was known as 101 Willow Avenue, I believe it is.

2-P-1

G. J. Robinson - Clement Ex.

Q Now, do your records show as against this realization there were any expenses properly charged?

A Yes, there was his original cost of \$50,000.00 although some portion of that obviously applied to the buildings which he retained.

Q Yes?

A He paid interest to Weber Brothers over the four or five year period of \$5,924.00.

Q Yes?

A He eventually suffered a loss on the disposition of the house at 101 Willow Street of \$8,600.00 which I think ties in with this transaction since it was the ultimate realization of it and there were legal fees paid but unfortunately I don't have those documents since this was treated as a capital transaction by the Income Tax Department and I didn't have to figure out a net for them.

Q Yes, it might have been substantial?

A Well, the Income Tax Department were considering taxing Mr. Hooke on \$78,000.00 profit in origin although this wouldn't have been his whole profit. The reason they were looking at that figure was that the interest paid to Weber Brothers had been claimed as a farm expense and so that they were only looking at the gross profit on the land and this was after allowing \$18,000.00 as the value in the buildings.

Q I see?

A They had just taken an arbitrary figure of \$32,000.00 for land and eighteen thousand for buildings and they were

2-P-2

G. J. Robinson - Clement Ex.

A (cont.) talking about assessing him on his \$78,000.00 profit.

Q But in the end result they became satisfied it was capital gain?

A They had done a very intensive investigation, at least so they advised me and they came to the conclusion that Mr. Hooke had nothing to do with the subdivision of Campbelltown and as a result he was treated the same as any other farmer in the area and it was a capital gain for tax purposes.

Q Now, is there any other aspect of the general Sherwood Park development that you have a record of as an auditor Mr. Robinson?

A Well, I have something on the Whitecroft subdivision.

Q My geography has been a little shaky about this area, I think that is a bit to the east is it not?

A That is the southwest of 23, 52, 23, west of the 4th. I haven't looked at maps so I am worse off than you.

Q Well, let's leave it at that, the southwest of 23, did you say?

A Yes.

Q Very well?

A Now, this was property that Mr. Hooke, according to our records, purchased on April 7th, 1953 from a chap named Kutt.

Q Yes, he gave evidence of that purchase.

A For \$8,000.00 and subsequently, for various reasons, Mr. Hooke decided to subdivide this into small holdings.

Q What do you mean by small holdings Mr. Robinson?

2-P-3

G. J. Robinson - Clement Ex.

A Well, acreages I think you would call it.

Q Some were in the order of roughly five acres on average or thereabouts?

MR. MAYNARD: Three.

Q MR. CLEMENT: Three?

A I couldn't tell you for sure.

Q You haven't had the benefit of the evidence here?

A No but, in this property Mr. Hooke spent a considerable amount of money surveying it, putting in a gas line, putting in roadways and generally fixing it up as a subdivision where people could go and build their houses.

Q So that then in order to determine the end result, you would have to add on to the \$8,000.00 original purchase price, an additional sum in order to make the development go?

A Yes, this is right.

Q And do you have a record of what that sum was?

A Yes. Well I show that the total land sales, if you want to call this, out of this subdivision to the end of 1963 which was the last time he made a sale was \$23,300.00.

Q That is the aggregate of them all?

A The aggregate of them all, all of these are costs which would include legal fees on the Transfer of lands and so on and all the rest of it. I didn't try to subdivide this down, today, into various categories of what they were but, this is what he has reported on this tax returns. He has reported this as a taxable transaction.

2-P-4

G. J. Robinson - Clement Ex.

Q That is, it is a course of business? So to speak?

A It is a real estate development.

Q Yes?

A And anybody would be taxable on it.

Q Is there any land left in this quarter section Mr. Robinson?

A Well, I believe there is but I couldn't give evidence but I think there is about five lots unsold or at least that are not accounted for by me. Unfortunately I had a map of the subdivision where I had all the sales on it but I can't find it, I don't know what has happened to it.

Q Well, I don't attribute anything sinister to that Mr. Robinson?

A No.

Q So the aggregation --

A I show thirty-five lots sold in Mr. Hooke's tax returns and I think there were about forty-one, forty or forty-one lots or something like this in the subdivision. I know Mr. Hooke gave away a couple to his family and I think he has one or two still on hand.

Q Very well, but in any event today, the aggregate gross income from this development is in the order of twenty-three thousand?

A No, that is the aggregate gross cost and ...

Q Oh, I misunderstood your figures.

A And the aggregate gross income over the eleven years was \$51,477.00 and he has reported as a taxable gain for Income Tax purposes a profit of \$28,156.00 on this development.

2-P-5

G. J. Robinson - Clement Ex.

Q That is the difference between the two figures?

A The difference between the two figures.

Q Yes. Is there any other area of development down there that you have got a record of?

A Well, Mr. Hooke's solicitor asked me to report on the Capilano transaction since these were the lots which were traded to the City and sold to Federal Equipment.

Q Well, if Mr. Maynard wants it on the record, all right.

MR. MAYNARD: Well Mr. Robinson, if it is not reported now it is going to be questioned in any event so we might as well get the information while Mr. Robinson is here.

MR. GILL: Quite so Mr. Maynard.

Q MR. CLEMENT: I can show you this one on a map Mr. Robinson?

A Thank you. Well, the records I have show that Mr. Hooke acquired Block 5 Plan 1562AM, Capilano, sometime either between 1948 or 1952, it is a little indistinguishable because the land wasn't transferred to him for a long time, for the sum of \$1,500.00. In 1953 he told four lots out of this block.

Q Well now, let's be accurate, I think the record shows that there were some lots in addition to Block 5 itself?

A Well now ...

Q If you want to refer to the documents I will just do that Mr. Robinson.

A Well, I am not certain, I show a Lot 29 and 30 and a Lot 9 and 10 sold but, I don't have the block number in my records.

2-P-6

G. J. Robinson - Clement Ex.

Q Well, let me explain this to you. By a Transfer of March 7th, 1953 ...

THE COMMISSIONER: Exhibit number?

Q MR. CLEMENT: 67, English interests transferred to Mr. Hooke Block 5 and also Lots 29 and 30 of Block 9 and Lots 9 and 10 of Block 8?

A That is what is wrong with my ...

Q Now, those four lots have not been raised in question here because they were not the subject of any transaction with the City of Edmonton?

A Well ...

Q The trade that has been raised in this matter involves only Block 5 of Capilano by Mr. Hooke for property in the Bronx owned by the City?

A Yes.

Q And I can see no value in pursuing any questions about those four separate lots?

A Well, they were sold to private individuals.

Q Yes?

A According to my records. Well, my records show that in 1954, Block 5 was traded to the City of Edmonton by Mr. Hooke and that he paid the City \$12,780.00 in cash.

Q The records show that.

A In addition to this, in addition to the land traded.

Q The records show that the City valued his land at some \$7,500.00 as I recall the figure? "

2-P-7

G. J. Robinson - Clement Ex.

A Then Mr. Hooke subsequently sold this land to Federal Equipment.

Q Yes, but let me explain to you Mr. Robinson, the record shows that the City valued the Capilano land, by its own appraising department, at something in the order of \$7,500.00 and it valued, by its own appraising department, the Bronx land which was involved in the transaction at something in the order of twenty thousand?

A M-hm.

Q And Mr. Hooke paid in cash the difference which, as you say, is in the order of \$12,000.00?

A Yes.

Q This is on the record?

A Yes. Well, my records just goes back to costs since this is what I was using for Income Tax purposes.

Q Yes?

A And so my record shows with respect to that sale, the land was sold I think practically simultaneously to Federal Equipment because I know the proceeds from Federal Equipment were used to pay the City.

Q Yes, there was an overlapping transaction?

A And the sale price to Federal Equipment was \$29,000.00. The costs against that were the original purchase price from the Cranston Estate of \$1,500.00, property taxes of \$29.66, the amount paid to the City of \$12,780.00 and legal fees of \$300.00 so that he wound up with a net gain on that sale to Federal Equipment, if you go back to his original cost, of

2-P-8

G. J. Robinson - Clement Ex.

A (Cont.) \$14,490.00.

Q Yes?

A And thirty-four cents.

Q Very well, are there any other aspects of the matters under Inquiry?

A Mr. Hooke's solicitor asked me to report on 101 Willow Street, this is the lot in Sherwood Park to which his old farm residence was transferred at the time that he sold the final twenty acres of Section 27 I think it is.

Q The southwest of 27?

A Yes, the southwest of 27, right, yes.

Q Yes?

A And so that under the final agreement that he had with Trowbridge and Associates, they were to provide him with a lot in Sherwood Park and move this house on to the lot and Mr. Hooke intended to use this as a rented property which he rented out to people and he did attempt to do this for some time but Sherwood Park wasn't a very good place to find tenants and he wasn't too successful in this and he eventually sold it and the loss that he incurred on this sale was \$8,620.00. So that really in assessing what he had made in the whole of that quarter section you would have to deduct that loss although it wasn't sold until 1965.

Q Yes but that was also taken into account in your earlier figures?

A Yes.

Q And is there any other aspect that has come to your attention?

2-P-9

G. J. Robinson - Clement Ex.

A Oh, he mentioned that the Monarch Apartments had been raised somewhere and that I should report on what I had in my records on those.

Q All right, I have no information on that?

A This is the apartment block at 9760 76th Avenue, Lot 36, Block 19.

Q Oh yes?

A Which was subsequently sold to an Archie Earl Flowers.

Q Yes?

A My records show that Mr. Hooke purchased this apartment block the 1st of February, 1956 for \$13,500.00. He paid \$3,500.00 cash for it and took a Western Savings and Loan mortgage of \$10,000.00. He then spent a considerable amount of money remodelling it in 1956 he spent \$6,188.00 and in 1957 \$1,819.00 and his total cost was \$21,500.00.

Q Was this in the nature, so far as you know, of a reconversion into a multiple dwelling place or had it been such at the start?

A I have never seen the property, I have just, you know, got this in my records.

Q Very well, so the total investment there was twenty-one thousand?

A Yes.

Q Yes?

A And the sale price on June 1st, 1962 to Mr. Flowers was \$34,906.50 so that it shows a gross profit of \$13,398.92 on the apartment block.

2-P-10

G. J. Robinson - Clement Ex.

Q Yes, and then what was the balance owing under the Agreement For Sale in Flowers as it stood at the moment of the commencement of the agreement?

Well, in other words, the sale price was thirty-four thousand, I presume some money was paid down?

A Oh yes, there was ... oh, I am sorry, the sum of \$4,906.50 but the purchaser assuming and paying according to the terms of the Western Savings and Loan mortgage. I have a copy of the original agreement. The agreement reads, consideration of the sum of \$1.00 and the assumption of the mortgage and the balance of \$30,000.00 on terms.

Q But the terms, what did they --

A The sum of \$300.00 on the first day of July, 1962 and the sum of \$300.00 on the first day of each and every month thereafter.

Q Yes.

MR. WRIGHT: It is number 405.

Q MR. CLEMENT: We have been working sir from Exhibit 405 which, with Mr. Gill's assistance I have compared and it is indeed a copy of what is in Mr. Robinson's file.

Well then Mr. Hooke sold this agreement for sale to Paris Investments as I recall it?

A I didn't keep track of that transaction. I am not aware of that transaction although I would have to check his next year's tax return after this.

Q I see, so you have no information?

A No, I was only concerned here with the possible depreciation

2-P-11

G. J. Robinson - Clement Ex.
- Gill Ex.

A (cont.) recapture, you know, on the sale.

Q Very well, was there anything else Mr. Maynard had asked you to deal with this morning?

A No.

Q That is all. Answer my friends.

THE COMMISSIONER: Mr. Gill?

MR. MAYNARD: Mr. Commissioner ...

THE COMMISSIONER: Mr. Maynard?

MR. MAYNARD: ... by way of explanation, just before Mr. Gill commences; I discussed with Mr. Robinson the company transactions that Mr. Hooke was involved in such as Beaver Land, Doral Developments and Ideal Homes and Mr. Robinson had nothing to do with the company records. All he did was Mr. Hooke's personal records for tax purposes. That is why Mr. Robinson has no other information on these other company transactions.

THE COMMISSIONER: Mr. Gill?

MR. GILL: Thank you sir.

MR. GILL EXAMINES THE WITNESS:

Q As I understand it Mr. Robinson you don't know anything about Mr. Hooke's monies from say Beaver Land Company?

A No.

Q Or Ideal Homes Limited?

A No.

Q Or Doral Development?

A No.

Q Do you know anything about a property at 7720 - 7728 on 99th

2-P-12

G. J. Robinson - Gill Ex.

Q (cont.) Street that I think Mr. Hooke mortgaged to North West Trust?

A Yes. Yes, this is an apartment block that Mr. Hooke owns and I believe still owns unless it is sold just recently.

Q What is the name of that apartment?

A Never had a name that I remember. As I recall it was just called 99th Street block.

Q Are there any figures that you have concerning costs and profit to date on that?

A Well, the purchase price of that property on the 1st of December, 1956 was \$24,000.00. It was financed principally by a mortgage from Western Savings and Loan Association in the sum of \$23,500.00 although it was my understanding and I have no evidence of this that Mr. Hooke had given additional collateral other than the block.

Q So there would be a cash payment of \$500.00?

A Yes, and there were some other legal costs and a procurement fee and a credit report, there was an additional \$500.00 in legal fees and the like at the time.

Q Have you any profit figures on that since December 1st, 1956?

A Well it hasn't been sold and I was only looking at the, you know, the property that he had sold and any sort of gain he made on buying and selling. We don't break down, in his Income Tax Return, his rental income for each individual block, it is all in one report.

Q I see?

A You know, of rental income.

2-P-13

G. J. Robinson - Gill Ex.

Q Has Mr. Hooke in disposing of any of these properties faced a recapture of depreciation problem?

A Well not as yet but he still has enough on hand that he has a balance that is depreciating.

Q But on the sale of any of the single properties he hasn't been caught for having depreciated too much?

A Well, they won't let you do that.

Q They will let you do it but you sometimes have to pay it back, don't you?

A Oh yes, if you sell and get a credit balance, yes.

Q And when you say, concerning the Capilano property a net gain of \$14,490.34, that is just concerning the Transfer of Block 5 to the City?

A Yes.

Q You have omitted to tell His Lordship, I think, about the additional \$2,000.00 for the sale of the additional four lots which were included in the purchase price of \$1,500.00?

MR. CLEMENT: He didn't omit Mr. Gill, I invited him not to.

Q MR. GILL: Well then, it was not before us, there would be an additional \$2,000.00 profit would there not?

2-B-1

G. J. Robinson - Gill Ex.

A Yes, there were four lots sold in 1953 for a total of \$2,000.00.

Q And they were part of the consideration of \$1,500.00 paid to the English Estate?

A This is right.

Q Thank you. So your figure in the net gain on his purchase from the English Estate would be \$16,490.34?

A Well, I have got \$16,390.34 as the total.

Q I see, you dropped a hundred somewhere in there?

A Yes, somewhere in there.

Q And do you have a property called West Whitecroft, did Mr. Hooke have anything to do with that, not Whitecroft but another property, West Whitecroft?

A I have no knowledge of it unless it was a part of his farm.

Q And the Income Tax Department, they were claiming originally that Mr. Hooke had made a profit of \$78,000.00 just on the Sherwood Park, South West Quarter of 27, is that correct?

A Yes.

Q And this was at a time when he had piecemeal sold off parts of that original quarter section to a developer, is that correct?

A Well, he didn't really do that, and this is one of the considerations that the Tax Department took into account when they decided it was a capital gain, is that he really made a deal to sell the whole thing in one package, and he was only transferring property out of that package as they were able to pay him for it, or as they needed it, so the

2-B-2

G. J. Robinson - Gill Ex.

A (Cont.) Department considered it was one sale.

Q And that was a bit of a fight, as I recall it?

A Oh, well, it normally is any time you get into a dispute of capital gain and income.

Q He who subdivides usually has to pay tax?

A Yes.

Q And you argued that Mr. Hooke had not subdivided, he had sold the quarter section and was merely transferring pieces out of it?

A And that he had a record as a farmer prior to this sale.

Q You didn't quarrel with the figure of \$78,000.00 profit, you quarrelled that it was not taxable?

A Well, we would have quarrelled with it if it had been taxable because we felt that they were a little unrealistic in the allocation between land and buildings.

Q I see. Well, aside from buying for \$50,000.00 from Weber Brothers and selling it for some \$110,000.00, just as bare land, Mr. Hooke received a home, didn't he?

A Yes.

Q And what would you value that house at, do you know, from your records?

A We valued it at \$16,000.00.

Q I see, so that would actually fit into the profit picture?

A Well, it was, the home, I believe, unless I am mistaken, that was transferred to 101 Willow Street and on that sixteen thousand valuation was subsequently sold at a loss of \$8,600.00.

2-B-3

G. J. Robinson - Gill Ex.

Q I see, what was the actual sale price, do you know?

A \$12,500.00 I believe, because there were other costs that he incurred.

Q Is there a land figure in there?

A Yes, \$3,000.00 for a lot.

Q Was this not just transferred to Mr. Hooke from Sherwood Properties Limited for no consideration?

A Yes, I believe so. I don't know why we had three thousand for the land down now without, when I look back at these old worksheets, but I believe this is true, that out of, as a part of the transaction for the twenty acres, for the final twenty acres Mr. Hooke was to retain one lot.

Q They were to provide him with a lot across the road?

A Yes, out of this.

Q And to move his house?

A And to move his house.

Q I see.

A Although he did pay them for some renovating and things that they did for him at the same time.

Q And when he bought the Monarch Apartments in February of 1956 he did pay cash, did he, of \$3,500.00?

A Yes, I believe that is what my record shows.

Q And yet when he sold it he sold it for a dollar down?

A Yes, well, it was my understanding that he was having great difficulty keeping the Monarch rented, it was losing money, and he was just trying to get rid of it the best way he could, is my understanding.

2-B-4

G. J. Robinson - Gill Ex.

Q A dollar and then the agreement for sale and the assumption of the Western Savings and Loan mortgage, is that correct?

A Yes, yes, that is correct.

Q Did Mr. Hooke take the scheduled loss of \$8,620.00 on 101 Willow Park and apply that against declared profits?

A No.

Q He did not. Well then he didn't actually claim it as a loss?

A No, the \$16,000.00 allocated to the house had been added on to the undepreciated capital cost, to use an income tax return, on all of his rented properties, and so to that extent he has got additional depreciation still available to him.

Q So that the loss was merely calculated?

A Yes, just calculated, not -

Q Not thrown in to the -

A Not claimed for tax purposes.

Q I see. In Mr. Hooke's income tax return is there anything shown concerning returns on holdings of companies such as North West Trust Company, bonds, savings, or anything of that nature?

A Oh, he occasionally has had some interest income, not very much.

Q I am only wanting to know if from certain specific investments?

A Which, you are referring to the North West Trust Company?

Q I am referring to the North West Trust Company.

A I think there were one or two years where he reported interest income from a deposit account he had at North West

2-B-5

G. J. Robinson - Gill Ex.

A (Cont.) Trust.

Q Any shares or holdings?

A I am not aware of them, unless they had dividends I wouldn't be necessarily aware of them.

Q If there were profits from say Beaver Land you would finally reflect them in his income tax return, would you not?

A I would think so, if -

Q Are there such there?

A No.

Q If there were profits from Doral Developments other than capital gain from the sale of shares, profits from dividends or stock dividends, would they not show in the income tax return?

A Yes.

Q Are there any such there?

A No.

Q And are there any dividends shown from Ideal Homes Limited?

A No.

Q Are dividends from stock developments or stock dividends shown from any of the following companies: the Acadian Company of Canada?

A Not that I can recall.

Q Paris Investments Limited?

A No.

Q Mayfair Leaseholds Limited?

A No.

Q British American Construction and Materials Limited?

2-B-6

G. J. Robinson - Gill Ex.

A No.

Q Fort McMurray Land Development Company Limited?

A No.

Q Avril Holdings Limited?

A No.

Q Akrom Limited, A-k-r-o-m?

A No.

Q Garneau Development Limited?

A No.

Q Alberta Fidelity Trust Company?

A No. Probably I could clarify it by saying that if you give me just a moment to run through these returns I am quite certain that the only investment income he has shown is interest from a deposit account with North West Trust, but if you give me a minute I will verify that.

Q Certainly, Mr. Robinson.

A You know, ten or eleven years is quite a few to remember.

No, I think I can answer that the only investment income that Mr. Hooke has shown in his personal income tax return since 1952 is some interest from North West Trust Company.

Q And those years?

A Why didn't you stop me when I was going through them?

Q Sir, I wonder -

A 1966 was one of the years and 1964 I think was the other, it was just the two years.

MR. GILL: Mr. Commissioner, I have completed this branch of the examination of Mr. Robinson with this

2-B-7

G. J. Robinson - Gill Ex.

MR. GILL: (Cont.) exception, that he has brought the returns and I now make application to examine them. If I find anything which I consider relevant to the matters under inquiry I wish to examine on them, but you'll appreciate the disadvantage in which I find myself. He has brought these returns here. I am only interested in knowing and seeing and examining on matters that are relevant in this Inquiry in my view. I do not propose to examine into personal matters, but I do wish to see these returns and I so apply.

THE COMMISSIONER: Mr. Maynard?

MR. MAYNARD: Well, Mr. Commissioner, I thought we had dealt with this matter last Friday. Outside of the matters that have been inquired into there are the company matters that I have already referred to such as Doral Developments and Beaver Land Holdings, and so on; and these matters will have to be dealt with by other people. I feel that Mr. Robinson has given information as an auditor, an independent auditor, to all of Mr. Gill's questions. Whether there has been any other transaction that has taken place in these income tax returns is a matter for Mr. Gill to question on if it is relevant, he has so questioned. Now he wishes to go beyond this and see if there is anything in these income tax returns that have no bearing to this Commission at all.

I feel, Mr. Commissioner that Mr. Gill has had all the information that he is entitled to from the income tax returns.

THE COMMISSIONER: Mr. Clement?

2-B-8

G. J. Robinson - Gill Ex.

MR. CLEMENT: I have nothing to add.

THE COMMISSIONER: I beg your pardon?

MR. CLEMENT: I have nothing to add.

THE COMMISSIONER: Is there any privilege attaching to work papers of chartered accountants?

A Not in Court anyway, there is no privilege, it is not the same as a solicitor's -

MR. CLEMENT: The law is pretty clear, sir. Unless the matter is prepared on the instructions of a solicitor or specifically for the assistance of a solicitor there is no privilege. There is a statutory affair, of course, in relation to income tax returns.

MR. MAYNARD: Insofar as the worksheets are concerned, those that have been referred to, my friends are quite entitled to see them.

THE COMMISSIONER: I think that's what you were referring to, was it?

MR. MAYNARD: We have no objection.

THE COMMISSIONER: That is what you were referring to, the worksheets?

MR. MAYNARD: I understood my friend was referring to the income tax returns.

MR. GILL: Mr. Robinson has been kind enough to bring files here. Now, as I said on Friday, this matter is under a cloak and we are only having a portion of the curtain pulled aside and being told certain facts, now, I think we are entitled to look into it and investigate it.

2-B-9

G. J. Robinson - Gill Ex.

MR. GILL: (Cont.) As to asking questions, they can only be asked if they are relevant if we see the information, and it is no different from the Government files that we have been looking at all through this Inquiry.

THE COMMISSIONER: No, I gave my ruling on that aspect last week and I see no reason to vary it, but if you wish to examine the worksheets that were prepared by Mr. Robinson. I might point out that Mr. Robinson is a chartered accountant, he comes in here as a chartered accountant, and I certainly fully respect his evidence; and he has given the evidence that he has, and states that his worksheets are based on his examination of his records, and I accept that as being correct. However, his worksheets upon which he bases his evidence are certainly available, but I am not going to go beyond that.

MR. GILL: Mr. Commissioner.

MR. CLEMENT: I might just perhaps ask, but I had assumed that the income tax returns were prepared from the worksheets?

A Yes.

MR. CLEMENT: Well -

A It is rather difficult to say. What happened really, Mr. Commissioner, was that Mr. Hooke was re-assessed in 1958, I believe it was, and it went back to 1952 on the Whitecroft real estate development so that he really didn't report it in his original return, but it was re-assessed.

THE COMMISSIONER: Well, is there material on those worksheets that relate to his income tax aside from the

2-B-10

G. J. Robinson - Gill Ex.

THE COMMISSIONER: (Cont.) evidence you have given here?

A I don't understand you.

THE COMMISSIONER: The material, is there information on those worksheets relative to Mr. Hooke's income tax additional to what you have given here in particular?

A Is there any other, no, no, not that I know of.

THE COMMISSIONER: These worksheets just relate to the matters that have been brought out by, in answer to questions of Mr. Clement?

A Yes, this is right.

THE COMMISSIONER: Relating to those particular transactions?

A Yes, well, they are related to his income tax returns on the ones that were taxable, you know.

THE COMMISSIONER: With respect only to these matters though?

A Just these matters, yes.

THE COMMISSIONER: They do not relate with respect to other matters?

A No, no, I haven't, I have just put the relevant matters in these files I have here.

MR. WRIGHT: My Lord, all I would like to do is simply look at these transactions, these particular transactions, so that when I ask questions I am not floundering around.

THE COMMISSIONER: Do you want to look at these worksheets, they are available to you, but I don't propose to go beyond

2-B-11

G. J. Robinson - Bowen Ex.

THE COMMISSIONER: (Cont.) that.

Mr. Bowen?

MR. BOWEN EXAMINES THE WITNESS:

Q Thank you, sir. Mr. Robinson, I understood you to say that you became a chartered accountant in 1948?

A No, I have been, I was an articled student in 1948 and I became a chartered accountant in 1950.

Q I see. Now, when did you start doing Mr. Hooke's work?

A Our firm started doing his work in 1952 which would, his 1952 tax return, which would therefore be early in 1953.

Q And were you the one that was allocated to do this work personally?

A No, an associate of mine, Norman Haddad, did the first couple of years of his tax returns, and then I took it over and have subsequently either done it myself or supervised the staff who did his tax returns.

Q Now, the worksheets that you have referred to this morning, are they all done by you?

A Most of them are.

Q During the time that you have done Mr. Hooke's work have you come to know him quite well?

A Oh, I think so.

Q Is he a friend of yours?

A No.

Q Does he in connection with any of these Sherwood Park, Whitecroft or Capilano properties, has he discussed them with you?

2-B-12

G. J. Robinson - Bowen Ex.

A Yes.

Q In ways other than an accounting method or procedure or taxation?

A No.

Q Did he ever give you any indication during the time that they were going on of what he was proposing to do with these properties?

A Yes, we discussed the Campbelltown proposition prior to him signing the deal with Campbell and the options.

Q And how, what was this discussion, Mr. Robinson?

A We were discussing the possibilities of arranging it in the best way so that he could get a capital gain on it if he sold it for tax purposes.

Q Quite. Now, aside and apart from an appreciation of the tax problem was there any discussion between you and Mr. Hooke as to the subdivision of the land or the possibilities of subdivision?

A None whatsoever.

Q Does this apply equally to the Whitecroft subdivision?

A Yes.

Q And to the Capilano property?

A Yes.

Q Now, just on rough horseback figures here, Mr. Robinson, my calculations are that in Sherwood Park, Whitecroft and Capilano Mr. Hooke made a profit of in excess of \$150,000.00; do these jibe with your figures?

A I don't know where you added these figures up.

2-B-13

G. J. Robinson - Bowen Ex.

Q Lets start in then; \$78,000.00 on Sherwood Park?

A Well, really that is not a true profit.

Q You referred to it as a profit this morning, right?

A Yes, he didn't make that amount of money on it though, this is what the Tax Department had suggested originally they might assess him on.

Q Yes?

A But it is not the true profit on it because certainly he paid Weber Brothers \$6,000.00 interest, and certainly he dropped money when the house was eventually sold, so that anybody, if you are trying to look not at the tax position of the situation but just what his true profit and loss on the Sherwood Park property, I think you would have to say it was nearer, you would have to knock about fourteen thousand dollars off there and it is something nearer sixty-four thousand.

Q All right, \$64,000.00?

A Yes.

Q And then I understood the Whitecroft, I have the aggregate income here as \$51,477.00?

A But he had costs of \$23,300.00.

Q So that brings that down to -

A \$28,000.00.

Q Twenty-eight?

A Yes.

Q Twenty-eight, so that is sixty-four and twenty-eight, isn't it?

2-B-14

G. J. Robinson - Bowen Ex.

A Yes.

Q And how much is that?

A You are asking me to add it in my head and I have difficulty.

Q About \$92,000.00?

A Yes, that is correct.

Q And then on the Capilano exchange, including the sale of the two lots, we have got about \$16,490.00?

A Yes, correct.

Q So that then can we take it about \$110,000.00 profit?

A Rough figures.

Q And this was over a period of what, six years?

A No, a longer period than that, you are talking about a period from 1953 through to 1963.

MR. MAYNARD: The Capilano was purchased before then.

MR. BOWEN: I think I can correct him, Mr. Maynard.

MR. MAYNARD: Fine.

MR. BOWEN: If you allow me.

MR. MAYNARD: Yes.

Q MR. BOWEN: I suggest --

A Yes.

Q - that Sherwood Park was from '51 to about '57 or '58, is that right Mr. Robinson?

A Sherwood Park was purchased in 1951 and the final transfer was, the final payment he received on it was May 4th, 1959.

Q Yes, and the Whitecroft and the Capilano exchange came within the same period of time?

A No, the majority, oh, from 1951 through, yes, the majority of

2-B-15

G. J. Robinson - Bowen Ex.

A (Cont.) it, yes, but there were some subsequent lot sales later.

Q So that would you agree that on land speculation say between 1950 and 1960 Mr. Hooke realized a profit of at least \$110,000.00?

A I never admitted with his farming operations that it was land speculation to the Tax Department, so that I would not do so here.

Q Well, let us put it, if it will help you, that on the purchase and sale of land during that time he realized a profit of about \$110,000.00?

A Yes.

Q Now, was there any other land bought and sold during that period by Mr. Hooke that you have records of?

A Not that I am aware of, other than the two apartment blocks that we referred to earlier in the evidence.

Q And I think he did make a fairly good profit on the Flower's property, did he not?

A Yes.

Q Now, do you have any record, Mr. Robinson, of any other land purchases and sales by Mr. Hooke anywhere in the Province of Alberta?

A No.

Q I see, and to your knowledge are you doing all Mr. Hooke's accounting work?

A No, I don't do all his work.

Q Who else does his work?

2-B-16

G. J. Robinson - Bowen Ex.
- Crawford Ex.

A Well, I know that Dave Bentley looks after Marilana Ranches Limited, or this is Winspear Higgins.

Q Right?

A And I understand that Mr. Ches Tanner looks after, which one is that, Ideal Homes I believe. I am not certain of that, of the others, and I shouldn't be saying -

Q All right, and are you still doing Mr. Hooke's personal income tax returns?

A Yes.

Q And have you done those since 1954 or thereabouts?

A Well, yes, our firm has done them since '52.

Q Right, thank you, Mr. Robinson.

THE COMMISSIONER: Mr. Crawford?

MR. CRAWFORD EXAMINES THE WITNESS:

Q Mr. Robinson, in connection with the Capilano property you mentioned the sum of \$1,500.00 having been paid?

A Yes.

Q That was undoubtedly paid at a time when you were doing Mr. Hooke's work?

A That's right, we had, we had correspondence that he presented to us on it, and I believe what he actually paid was £500, if I am not mistaken, and which we converted into approximately \$1,500.00 Canadian.

2-M-1

G.J. Robinson - Crawford Ex.

Q So, when you gave that evidence this morning, your information was based on what Mr. Hooke had provided you with?

A Yes.

Q And what does the information you were provided with show as to when the money was paid?

A 1948, I believe.

Q Is that what your notes say?

A Yes.

Q When were those notes prepared?

A At the time we were dealing with the Income Tax Department in this matter.

Q And when was that?

A 1958 and 1959.

Q So about ten years after the event you prepared your working papers on that?

A Yes.

Q And do the records that are available to you show where the money came from to purchase the Capilano property?

A No.

Q Did Mr. Hooke ever tell you?

A No.

Q Do you have any financial records of Mr. Hooke's that show borrowings?

A Not a complete record, anyway; I know of the borrowings he has made in connection with the various apartment blocks

2-M-2

G.J. Robinson - Crawford Ex.

A (Continued) that he has had; they are reflected in his tax returns because he pays interest on them.

Q Do you have any record of borrowings going back to 1948?

A No.

Q None at all?

A No. I have a record that shows some borrowings from the Bank of Nova Scotia at the time he was purchasing one or the other of these properties - I just forget which one, now.

Q My questions are still related to Capilano.

A No, no, I have no record of that at all.

Q In your record of income of Mr. Hooke, has any reference been made to dividends received from Ideal Homes?

A No.

Q What about directors fees?

A I'm not certain. I can't answer that question, really. My records here won't show it because if he did they were likely on a T-4 slip, and we don't keep the extra copy; we always give it back to the client - and would just show a total, and we would have just added it onto his Cabinet Minister's total, and reported it as a sum. I don't think we would actually - I don't recall that - I don't recall any directors fees from Ideal Homes, but I can't answer you with certainty.

MR. CLEMENT: The problem is not insoluble, sir; the figures for Ideal Homes will show whether or not -.

A I don't believe there were any reported, but I wouldn't say

2-M-3

G.J. Robinson - Crawford Ex.
- Wright Ex.

A (Continued) that with certainty.

Q MR. CRAWFORD: Well, Mr. Commissioner, apropos of Mr. Clement's interjection, I understand that it is Mr. Tanner who knows about Ideal -.

MR. CLEMENT: Mr. Tanner will be called.

MR. CRAWFORD: And I had not understood until this moment that he was going to be called.

MR. CLEMENT: Oh, yes.

MR. CRAWFORD: I think those are all my questions.

THE COMMISSIONER: Thank you, Mr. Crawford. Mr. Wright?

MR. WRIGHT EXAMINES WITNESS:

Q You told us that the income tax people looked into the question of the Sherwood Park profit being a capital gain with some care.

A Oh, I think they investigated it for nearly a year.

Q Yes, and this was in 1958, was it?

A I believe so, approximately, in 1958 or '59.

Q And at that time had the Whitecroft transaction also been reported as a capital gain?

A In origin Mr. Hooke had claimed all of them as capital gain.

Q All of what?

A The Whitecroft, the Capilano, Federal Equipment, if you like, which is part of it.

Q Yes.

A And the Sherwood Park property.

Q Yes, and in the result you could only hang onto the

2-M-4

G.J. Robinson - Wright Ex.

Q (Continued) Sherwood Park transaction as a capital gain?

A Yes, which - the other we -.

Q Yes.

A - we more or less conceded the others.

Q Now, you say that the income tax came to the conclusion he had had nothing to do with a subdivision?

A This is right, I - they -.

Q And -.

A They had told me that they were sure he had in origin, but in the end they agreed he had not.

Q Yes, and this - was this based on information that there had been any sort of options in 1951, or was it based on information that the options were considerably later?

A Oh, they had a good go at the options. I - I just don't recall now. I think that the - this wasn't the basis of the decision at all. I think that the basis of the decision was that Mr. Hooke had genuinely attempted to farm the property, and that -.

Q Yes, and that the development had not occurred until an appreciable period after -?

A Right.

Q - he got the place?

A Yes.

Q And that no attempts had been made to subdivide the place until an appreciable period after he got the place.

2-M-5

G.J. Robinson - Wright Ex.

A Yes, and that he had spent a considerable sum of money improving it after he had bought it.

Q Yes.

A For farm purposes.

Q What was the monthly income on the Flowers Apartments on 76th Avenue?

A I don't know just - I may have that here. It is very difficult for me to tell you because what we worked from were income statements prepared by the agency who acted for him in leasing the property, and I really don't know what these names mean, you know, how many suites there were in - they are just a list of names and receipt numbers showing the rent collected, and I'm not certain that it doesn't include both the Flowers Apartment Block and the other 97th Street property.

Q Well, what is the total of rental income you have then, and when?

MR. CLEMENT: This is in respect to the Flowers building?

MR. WRIGHT: That's what I'm trying to get.

MR. CLEMENT: Yes.

A All right - I think I have that here -.

MR. WRIGHT: This is the sort of time that I'm trying to avoid wasting, Mr. Commissioner, and I would be able to if I could examine the documents first.

THE COMMISSIONER: I think that -. I think that Mr.

2-M-6

G.J. Robinson - Wright Ex.
- Maynard Ex.

THE COMMISSIONER (Continued) Robinson can extract the
information.

A I beg pardon?

THE COMMISSIONER: I say - go ahead. I say, I think
you can extract the information.

A Unfortunately I find that it is just as I suspected: we
have a total figure for the Flowers block and the 76th
Avenue, because there was one agent handling it.

Q MR. WRIGHT: The 99th Street property, you mean?

A The 99th Street block - I'm sorry - I said 97th Street.

Q Yes.

A 99th Street.

Q Yes, and what year is this?

A Well, I'm just looking at 1961 for example.

Q And what income -?

A There was \$4,000.00 total rental income for the two of them.

Q No profit was reported from Marilana Ranches, accruing to
A.J. Hooke, at any time?

A No, not as yet.

Q And you mentioned apartment blocks. Were there others
besides the 99th Street and the 76th Avenue?

A No.

Q My Lord, that's all I have at the moment.

THE COMMISSIONER: Thank you, Mr. Wright. Mr. Maynard.

MR. MAYNARD EXAMINES THE WITNESS:

Q Mr. Robinson, the evidence shows that there have been, some

2-M-7

G.J. Robinson - Maynard Ex.
- Clement Ex.

Q (Continued) sale of shares by Mr. Hooke in a company called Doral Developments Limited. Was anything reported in any income tax return relating to any monies that were made by Mr. Hooke in connection with the sale of the Doral Development shares?

A I don't believe so.

Q In connection with the Capilano property, this was a taxable transaction that was eventually taxed by the Income Tax Department, I take it?

A Yes.

Q The Capilano -.

A Yes, that's correct.

Q Now, was there any interest shown in the return as an offset against the tax - taxable - tax charged by the department?

A Yes, I believe so. The figure I gave included the original cost of the land; it included - oh, just one moment. This is the Capilano -?

Q Capilano, yes.

A Capilano. I don't believe so, no.

Q There was no interest charged. Fine. Thank you, that's all, Mr. Robinson.

THE COMMISSIONER: Thank you, Mr. Maynard. Mr. Clement?

MR. CLEMENT EXAMINES WITNESS:

Q Mr. Robinson, did you say that you had had some correspondence with the vendors of the Capilano property?

A No; what I was presented with was photocopies of varying

2-M-8

G.J. Robinson - Clement Ex.

A (Continued) correspondence that Mr. Hooke had had.

Q Oh, I see.

A Which we were using - we were showing to the tax department in arguing our case with them.

Q But you don't have those now?

A I do have those photocopies here.

Q Where are they?

A Well, this is - this is a letter from the solicitor telling us how the - this is a letter telling how they registered the transfer, and the land -. This is a letter from Mr. Hooke, I guess, to Mr. - this is just to determine the date of the transfer, I believe.

Q I know, but I meant direct with the -.

A No, the only other correspondence I have to this one, which has something to do with it - I forget his name now - Major Lockhart, is it? - I think he was the executor of the estate.

Q This writing is worse than mine. Sir, the correspondence which Mr. Robinson has been showing me is 1953 correspondence with local solicitors, relating to the registration of the transfer from the English interests, which is in evidence, and which I think is of no consequence here; what I am now examining is a letter - which I can't make much out of, but written in 1952.

A I believe that chap was the executor of the estate, but I am

2-M-9

G.J. Robinson - Clement Ex.

A (Continued) not certain - of the Cranston estate, who were the vendors.

Q In any event, sir, it is a letter apparently referring to - referring to Messrs. Milner, Steer & Company, and to the document of transfer being required by Mr. Hooke.

A I don't know that there is anything else that is really -.

Q I don't think there is anything else there that I need clutter the record with. Did you have this?

A I have something from Nay & James, just dealing with -.

Q Well, sir, probably this might go in evidence: a photocopy of a letter from Nay & James - yes, Mr. Robinson has the original. I will tender the photocopy, sir.

A I think this is a photocopy as well.

Q Different dates -. Oh, yes. These are photocopies.

A Yes, I think these are just old photocopies -.

Q Well, in any event -.

A - that I had at the time I was dealing with the tax - no, I don't think they have anything, no - you can have those, if you want.

Q A letter, sir, dated December the 15th, 1950, from Messrs. Nay & James Limited, who appeared to conduct an investment securities business in Regina, Canada, at that time - the letter is from that company to Mr. Hooke, advising that they have located the duplicate certificates of title to the lands which have been in discussion, and showing who the owners - who the owner is, according to those certificates -

2-M-10

G.J. Robinson - Clement Ex.

Q (Continued) who the owners, according to those certificates, are; and a further letter -. Perhaps I better have this marked, sir.

THE COMMISSIONER: Exhibit 429.

LETTER FROM NAY & JAMES TO
MR. HOOKE, DATED DECEMBER
15TH, 1950 MARKED EXHIBIT
429.

MR. CLEMENT: And a further letter from Nay & James Limited, dated January 18th, 1952, to Mr. Hooke, advising him of correspondence in the light of the solicitors of the Cranston estate. There's obviously nothing in these that Mr. Robinson can be questioned on.

THE COMMISSIONER: Exhibit 430.

MR. CLEMENT: Thank you, sir.

LETTER FROM NAY & JAMES TO
MR. HOOKE, DATED JANUARY
18TH, 1952 MARKED EXHIBIT
430.

THE COMMISSIONER: Would you like to see those letters, Mr. Gill, or Mr. Wright?

MR. GILL: Yes, I would.

MR. CLEMENT: I direct your attention, Mr.

Commissioner, to the fact that there is nothing in those letters that Mr. Robinson can be questioned on. He knows nothing about them except that they were furnished to him for a purpose.

MR. MAYNARD: The letters, Mr. Commissioner,

2-M-11

G.J. Robinson - Clement Ex.

MR. MAYNARD (Continued) merely indicate the reasons for the delay in the execution of the transfer to Mr. Hooke as of the date of purchase. The titles could not be found and they were subsequently discovered, and the secretary refers to the transfer.

THE COMMISSIONER: Mr. Robinson wouldn't have any personal knowledge, except that he was provided copies. Have you any questions arising out of those letters to Mr. Robinson, Mr. Gill?

MR. GILL: I haven't seen the letters to Mr. Robinson -.

A Those are the copies.

MR. GILL: Those are copies that have been put in -.

THE COMMISSIONER: Those are the copies that he has put in.

MR. GILL: - copies in his file, as I understand it.

THE COMMISSIONER: Yes.

MR. GILL: No, I have no questions arising out of that.

THE COMMISSIONER: Mr. Wright?

MR. WRIGHT: No sir.

THE COMMISSIONER: We will adjourn now.

(Hearing adjourned at
11:10 A.M. to resume
at 11:30 P.M.)

3-P-1

G. J. Robinson - Wright Ex.

THE COMMISSIONER:

Mr. Wright?

MR. WRIGHT:

Yes, I did have a chance to speak to Mr. Robinson and I would like him to produce his summaries of each transaction.

THE COMMISSIONER:

That is fine.

Q

MR. WRIGHT:

Would you produce your summary of the Capilano transaction Mr. Robinson?

A

Yes.

MR. WRIGHT:

Exhibit 431, My Lord?

THE COMMISSIONER:

That will be Exhibit 431.

MR. WRIGHT:

The Capilano transaction.

THE COMMISSIONER:

Yes, Exhibit 431.

SUMMARY OF THE CAPILANO TRANSACTION
ENTERED AS EXHIBIT 431.

Q

MR. WRIGHT:

And of the Campbelltown transaction

Mr. Robinson?

THE COMMISSIONER:

That will be Exhibit 432.

SUMMARY OF CAMPBELLTOWN TRANSACTION
ENTERED AS EXHIBIT 432.

Q

MR. WRIGHT:

Of the 101 Willow Street

transaction?

THE COMMISSIONER:

That will be Exhibit 433. What is that called Mr. Wright?

MR. WRIGHT:

That is 101 Willow Street

transaction, that is the lot that the house was moved to ...

THE COMMISSIONER:

Oh yes.

MR. CLEMENT:

Willow Street is in Sherwood Park,
sir.

3-P-2

G. J. Robinson - Wright Ex.

THE COMMISSIONER:

Yes, that will be Exhibit 433.

SUMMARY OF 101 WILLOW STREET
TRANSACTION ENTERED AS EXHIBIT 433.

Q MR. WRIGHT:

And of the Whitecroft transaction?

THE COMMISSIONER:

That will be Exhibit 434.

SUMMARY OF WHITECROFT TRANSACTION
ENTERED AS EXHIBIT 434.

Q MR. WRIGHT:

And of the Monarch Apartment

transaction?

THE COMMISSIONER:

Exhibit 435.

SUMMARY OF MONARCH APARTMENT
TRANSACTION ENTERED AS EXHIBIT 435.

Q MR. WRIGHT:

And of the 99th Street apartments

transaction?

THE COMMISSIONER:

That will be Exhibit 436.

SUMMARY OF 99th STREET APARTMENT
TRANSACTION ENTERED AS EXHIBIT 436.

Q MR. WRIGHT:

With regard to the Monarch Apartments

Mr. Robinson, were any inquiries made by the North West
Trust Company of you or your firm as to the performance of
the place before the Flowers agreement for sale was bought?

A No, we had no negotiations with them at anytime.

Q Yes. From the point of view of the accounting of the matter,
was it losing money or making money?A I couldn't say on an economic standpoint. Certainly he was
showing a tax loss on rental revenue but then depreciation
bears such a big portion of that. I never did examine it
on an economic standpoint.

Q Yes?

3-P-3

G. J. Robinson - Wright Ex.

D. B. Menzies - Clement Ex.

A I was never asked to.

Q Would you agree it was certainly not a profitable place?

A I believe so from discussions I had with Mr. Hooke about it, that is what I gather.

Q Yes, and the 99th Street property was bought in 1956 for \$24,000.00? That is Exhibit 436?

A Yes, 1st of December, 1956.

Q Yes, were any inquiries made about that in or about 1964 of you or your firm?

A No.

Q Thank you.

THE COMMISSIONER: Mr. Bowen, have you any questions arising out of these Exhibits?

MR. BOWEN: No sir.

THE COMMISSIONER: Mr. Crawford?

MR. CRAWFORD: No sir.

THE COMMISSIONER: Mr. Gill?

MR. GILL: No thank you, sir.

THE COMMISSIONER: Mr. Maynard?

MR. MAYNARD: No questions.

THE COMMISSIONER: Mr. Clement?

MR. CLEMENT: No thank you, sir.

THE COMMISSIONER: Thank you.

(Witness retires.)

MR. CLEMENT: I call Mr. Menzies.

DUDLEY B. MENZIES, recalled, examined by Mr. Clement:

Q Mr. Menzies, you acknowledge you are still under oath for

3-P-4

D. B. Menzies - Clement Ex.
- Maynard Ex.

Q (Cont.) the purposes of this Inquiry?

A I do.

Q Mr. Commissioner, Mr. Menzies is recalled because there was a question put to him by Mr. Maynard during cross-examination some time ago that Mr. Menzies was not then able to answer. He has, I think, informed himself now and I will leave it to Mr. Maynard to pursue his cross-examination.

THE COMMISSIONER: Yes, can you relate that to the page in the transcript for purpose of reference?

MR. MAYNARD: Mr. Commissioner, I haven't the transcript ...

THE COMMISSIONER: Well it doesn't matter anyway, you are going to place the question again?

MR. MAYNARD: Yes, I am referring back to the Capilano property that was acquired by the City from Mr. Hooke.

MR. CLEMENT: I can refer you to it sir, I had the page noted last week and I don't think I have it with me now.

THE COMMISSIONER: Well, that is fine, go ahead Mr. Maynard.

MR. MAYNARD EXAMINES THE WITNESS:

Q Mr. Menzies, I think you obtained from Mr. Warner last week a document setting out the number of lots that were obtained in the re-plot of the Capilano property obtained by the City from Mr. Hooke?

MR. CLEMENT: Block 5.

3-P-5

D. B. Menzies - Maynard Ex.

Q MR. MAYNARD: Block 5?

A I did receive a document, yes, on which apparently you had superimposed the old plan to show the lots that overlapped.

Q Yes?

A And I have that list here.

Q Yes, and did you check your records to see if the supervision that had been worked out was pretty well accurate?

A I would say yes.

MR. CLEMENT: Superimposition.

MR. MAYNARD: Pardon?

MR. CLEMENT: Superimposition.

THE COMMISSIONER: Superimposition, you said supervision.

MR. MAYNARD: Oh, I am sorry.

MR. GILL: Le Francais cest tres mauvais.

Q MR. MAYNARD: Then the statement I read from this document by superimposing Block 5 on Plan 1562AM on new plan 6906KS, it would appear that it covered Lots 1 to 9 inclusive and lots 28 to 36 inclusive in Block 4 of new plan 6906KS, geographically speaking. Now, is that correct?

A I would only argue mainly a little bit about 9 and 28, about half of each of them comes in but basically I wouldn't argue.

Q There were how many lots obtained under the new plan as a result of this re-plotting?

A Your question to me is that in the new plan how many new lots appeared on what was originally Mr. Hooke's land, is that the question you are asking?

3-P-6

D. B. Menzies - Maynard Ex.

Q That is right, yes?

A I am saying that there are basically fourteen for sure and you are arguing with me whether half of two others so it is either fourteen or fifteen, in that order.

Q That is fair enough. I had it worked out to eighteen but fourteen is quite satisfactory for our purposes here. Now Mr. Menzies, when this re-plot was completed some of these lots were retained by the City and some were exchanged by the City for other properties that the City acquired from some other people?

A Some of the original lots, not the final lots. The original lots were thrown into the overall pocket and then these lots reappeared on the property that Mr. Hooke originally owned.

Q Right, and I have given you on this statement that you have before you the disposition of all the lots that had been obtained as a result of the re-plot. Have you had an opportunity of checking these lots?

A I have sir, yes.

Q And have you checked the sale price of the lots that are listed on this list?

A I have no reason to believe that they are not correct, no. The thing that is not on the list unfortunately that you gave me is the date at which the sale took place.

Q Yes, did you check the City Records in order to ascertain whether these people who appear on this list did appear accurately as tax payers eventually?

A Yes, I think that is the case.

3-P-7

D. B. Menzies - Maynard Ex.

Q And you do not know the year that they appeared as tax payers?

A I do now, yes, I checked through since I saw you this morning.

Q Oh?

A To find out when these sales were consummated, yes.

Q Did you write on your document the years that these people appear as tax payers?

A Yes I did, I have it on mine.

Q Well then, run down from the top to the bottom, could you give us the list or the reference to each lot?

A The first item concerns Lot number 1 and concerns a sale to Joseph Jerry and our records indicate that his name appeared on the tax roll in 1959.

Q Now Mr. Menzies, did you do the same with all the other names on this list?

A That is correct.

Q Mr. Commissioner, I do not wish to burden the record with this information, I am going to ask that this document be filed as an Exhibit. It contains all this information already.

A You want my document, do you?

Q Well, it has all the information and mine hasn't.

A Okay. May I just keep it if you are going to ask me some more questions?

Q I just have one more question to ask before it is marked. From checking the sale prices of these various lots Mr. Menzies, can you give us a figure as to what these various lots were sold for in total?

3-P-8

D. B. Menzies - Maynard Ex.

A I can do that, I can add this column up but I don't think that it is right to do so because the sales were made at different periods of time over the years and the value of the lot before utilities are in is very much different from what it is after they are in.

Q I was going to come to that.

A I might say sir that the prices run all the way from ... well, there is one at \$500.00 that I think should be thrown out because it is a unique case but they are running in the order of anywhere from \$1,000.00 up to, the highest one I note is \$3,300.00. The sales are all spread out between that sum, the lowest one I see is a thousand and then there is a number at sixteen ninety-five and the -- Oh I beg your pardon, there is one at \$3,500.00.

Q Yes, and there are several above the \$3,000.00 mark?

A That is correct, yes.

Q Now, the final question in relation to the value of these lots or the sale prices, you mentioned the question of utilities having a bearing on the value of the lots?

A That is correct.

Q Mr. Menzies, in your experience as a City Commissioner dealing with re-plot schemes and the cost of utilities to service an area, have you a thumb of rule to establish the value of getting utilities to a particular area and to the particular lots?

A Yes.

Q Could you give us that?

3-P-9

D. B. Menzies - Maynard Ex.

A Well, the cost of putting in utilities for a lot generally run around about \$33.00 a front foot and these lots are in the order of fifty-five foot frontage at thirty-three dollars, about \$1,800.00 for a lot of that type.

Q Now, is that the present day price of servicing lots?

A It is a little higher today than it was back at the time this one was serviced.

Q Yes.

A It may be \$100.00 now.

Q The price you are giving us now is today's price?

A Right.

Q And the price of servicing lots in 1950 to '55 period would be how much less?

A Oh, in the '55 period it would be considerably less, maybe \$900.00.

THE COMMISSIONER: How much?

A Maybe nine hundred back at that time. The costs have gone up considerably in the meantime.

Q MR. MAYNARD: Yes, now, at this period of time there were also a number of lots owned by the City that were sold for \$700.00 a lot. Did this price of \$700.00 and, I am not referring to these specific lots now, I think you will realize generally that the City was selling lots around that figure, did that figure include the utilities with the lots?

A No.

Q So that the cost of utilities was on top of this?

A Over and above this, yes.

3-P-10

D. B. Menzies - Maynard Ex.
- Bowen Ex.

Q Fine, that is all.

THE COMMISSIONER:

That statement will go in as Exhibit

437.

LIST OF LOTS IN CAPILANO ENTERED AS
EXHIBIT 437.

MR. CLEMENT:

Mr. Commissioner, the unanswered
questions which resulted in Mr. Menzies being brought back
are found in volume 32 page 3434.

THE COMMISSIONER:

Mr. Gill? Any questions?

MR. GILL:

No questions, thank you sir.

THE COMMISSIONER:

Mr. Bowen?

MR. BOWEN:

Yes sir, if I may.

MR. BOWEN EXAMINES THE WITNESS:

Q Mr. Menzies, my memory fails me, when was this Capilano
exchange?

A With Mr. Hooke?

Q Yes?

A 1954.

Q Now at that time the Capilano land was exchanged for the
Bronx land?

A That is correct.

Q Owned by the City and the value placed by the City on the
Bronx land was \$20,000.00?

A That's right.

Q Now, did the City have any more land around this piece that
was traded to Mr. Hooke?

A I believe we did at that time, yes.

3-P-11

D. B. Menzies - Bowen Ex.

Q And in 1960 have you any idea of the value of that land?

A Well, land in that area today will be selling at around fifteen to twenty thousand dollars an acre.

Q And what would make that piece that was transferred to Mr. Hooke worth today?

A Well, he got five acres, did he not? Somewhere around seventy-five to one hundred thousand dollars.

Q At today's value?

A Yes, at fifteen thousand an acre which is a common price for industrial land at this time.

Q Thank you sir.

THE COMMISSIONER:

Mr. Crawford?

MR. CRAWFORD:

I have no questions Mr. Commissioner.

THE COMMISSIONER:

Mr. Wright?

3-B-1

D. B. Menzies - Wright Ex.

Discussion Re Recalling witnesses

MR. WRIGHT EXAMINES THE WITNESS:

Q Mr. Menzies, there was nothing though unusual about the City buying land in this area from private citizens?

A No, we have to do it all the time in re-plotting.

Q And in the case of Capilano and Hardisty, all this area was previously subdivided?

A Into thirty-three foot lots, yes.

Q Right, and so there was extensive purchasing by the City about the time when Mr. Hooke purchased his land in all this area, was there not?

A Well, particularly to the east we bought a great deal of land on the other side of the ravine.

Q Yes, so that a profit to the City occurred in a large number of cases?

A Oh, yes, we made, we made money on a lot of transactions.

Q Yes, on this aspect of it there was nothing unusual about a profit made on Mr. Hooke's land?

A No.

Q Yes. Will you bring your mind back to Christmas or, Christmas 1964 or January 1965, in about that time.

A Yes.

Q Mr. Hawrelak was Mayor and was on holiday in Florida?

MR. CLEMENT: Mr. Commissioner, I doubt whether we should have a third kick at the cat, sir. This has been explored in depth previously.

THE COMMISSIONER: No, I think we brought Mr. Menzies back for one purpose.

3-B-2

D. B. Menzies -

Discussion Re Recalling witnesses

MR. GILL: He was not -

MR. WRIGHT: He was not asked this question before
by anyone.

MR. MAYNARD: Well, that is your fault, Mr. Wright,
you had the privilege of doing so.

MR. COMMISSIONER: I am not going to start re-opening
the examination of witnesses when they are brought back,
because that goes on indefinitely.

MR. WRIGHT: This relates to Mr. Hooke directly and
his communications with the City as Minister. I submit it
is extremely relevant, My Lord, and I could not ask the
question before because I had no knowledge of this.

THE COMMISSIONER: Well then, the only thing, Mr. Wright,
by the same token, any other counsel could say, after a
certain witness was examined and something came out that was
not brought out formerly, that "I want to re-examine on it.",
and we could go on indefinitely. I think I have to -

MR. WRIGHT: We could go on ad infinitum, but -

THE COMMISSIONER: I think I have to make a firm rule on
that, Mr. Wright. Mr. Menzies was recalled for one purpose,
and I think his examination will have to be limited to that
purpose.

MR. WRIGHT: In that case I must apply to Your
Lordship.

THE COMMISSIONER: I am just following the customary
practice that would be followed in Court in that respect.

MR. WRIGHT: Well, of course, the customary

3-B-3

D. B. Menzies -

Discussion Re Recalling Witnesses

MR. WRIGHT: (Cont.) practice is quite different in Court, with the greatest respect, My Lord. If a witness is recalled he is fair game for anyone who wants to cross-examine him on anything, but that is not quite the problem here.

THE COMMISSIONER: No, I think it opens up the field for every witness to be recalled on that basis, and I think we have to set some defined boundaries.

MR. WRIGHT: Your Lordship does not know what my question is of course.

MR. MAYNARD: Oh, the topic has been indicated.

THE COMMISSIONER: I am going to limit questions to Mr. Menzies to the matter for which he was recalled.

MR. WRIGHT: And will refuse an application by me to recall him right now to answer this, the question I wish to ask him with respect to a communication from Mr. Hooke to the City Commissioners in 1964-1965 when the Mayor was on holiday?

THE COMMISSIONER: Well, I will hear all counsel on that application.

MR. WRIGHT: Yes, I so make the application. It is a matter of short compass, My Lord, and will not extend the time more than ten minutes.

THE COMMISSIONER: Do you wish Mr. Menzies recalled to answer a specific question, with respect to what?

MR. WRIGHT: Did the City Commissioners at that time receive a communication from Mr. Hooke asking for a specific file from the City records.

MR. CLEMENT:

This has already been touched on in

3-B-4

D. B. Menzies -

Discussion Re Recalling Witnesses

MR. CLEMENT: (Cont.) evidence, sir.

MR. WRIGHT: Yes, it has, My Lord. When I asked the question of Mr. Hawrelak he said he could not remember, that he was on holiday at the time. I don't see why there is such a lot of opposition being afforded to me, with the greatest respect, My Lord, as it is a very simple and a very pertinent question.

MR. MAYNARD: Mr. Commissioner, again I must take the position that I have taken previously: if I seem to object it would appear that we are trying to hide something, I have nothing to hide, but, on the other hand, I think we have to stop this kind of fishing expedition some place. If we re-open this question on this topic, then every other witness that has been called can be recalled for the purpose of further examination on something that some other witness has said, and where there is a conflict. I am not concerned about the question being asked or not asked, I am concerned about persuing something that has already been dealt with in this Inquiry and that should not be allowed to be re-opened up again.

THE COMMISSIONER: Mr. Gill?

MR. GILL: Mr. Commissioner, I would with great respect submit that on November 7th when Dudley Blair Menzies was called before this Commission, I for one was not in possession of information which I am now in possession of; I join in supporting Mr. Wright's application.

When Mr. Hawrelak, a former Mayor of this City, was

3-B-5

D. B. Menzies -

Discussion Re Recalling Witnesses

MR. GILL: (Cont.) examined on November 15th in Volume 36, pages 3822 to 3826 he was specifically asked, page 3824 and the bottom of 3823:

"Now, when you were on holiday can you remember a call from the Deputy Mayor saying that, can you remember talking by telephone with the Deputy Mayor, saying that, and being informed that Mr. Hooke had called for Mr. Leger's file?"

And then at page 3826:

"Can you remember talking with Mr. Menzies with regard to this topic?"

A No, I don't, sir."

Now, I join in the application and it concerns whether or not A. J. Hooke did call the City of Edmonton and ask for Leger's file. Now, I think this witness can either say he does or does not know anything about that, but as I understand the line of questioning this is what Mr. Wright asks about, this is what we are interested in, it deals specifically with what we are inquiring into. A great deal more irrelevant subjects and questions than this have been asked in the last ten weeks, and, therefore, sir, I put it to you that this is a very proper application, to recall Mr. Menzies on this one particular subject. Thank you.

MR. CLEMENT:

Mr. Commissioner, counsel have yet failed to state the pertinence of this question to the subject matter of the Inquiry.

MR. GILL:

Well, is it proper or not for a Minister
SUPREME COURT REPORTERS
EDMONTON, ALBERTA

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D. B. Menzies -

Discussion Re Recalling Witnesses

MR. GILL: (Cont.) of Municipal Affairs to ask the City Government to produce the file concerning a City Alderman.

MR. MAYNARD: That has not been established, Mr. Commissioner.

MR. GILL: That is something that the Commissioner will decide.

MR. WRIGHT: That we have not been allowed to establish.

MR. BOWEN: Mr. Commissioner, if I may, I suggest, sir, that we should take a look at the whole broad picture and the atmosphere in which counsel for various participants other than Mr. Maynard are entering into this matter. We are constrained to see a witness on the stand under direct examination by the learned counsel for the Commission, and within a space of half an hour we have to then formulate our cross-examination. If we are not going to be allowed to recall witnesses within reason, sir, this places a burden on my learned friends and myself which is not, in my opinion and with deference, sir, quite fair under the circumstances. One witness can give information which may refer back to the evidence of a witness that had given evidence prior to him. Now, this is something in which counsel should be allowed to examine on, and certainly I think, not only with this particular application, sir, but if I had a witness that I wanted recalled, whether or not there were unanswered questions, I would certainly feel duty bound to make such an application, and which I think this Commission should grant.

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D. B. Menzies -

Discussion Re Recalling Witnesses

THE COMMISSIONER: Mr. Crawford?

MR. CRAWFORD: Mr. Commissioner, I support the application. I think that what Your Lordship is wisely guarding against is repetition. I think that that is not involved in this particular question of this particular witness, and that in the ordinary case when counsel is able to say to Your Lordship that a matter has come to his attention since the last time a witness was in the stand, that that would normally be sufficient to ask anything in respect to that matter.

THE COMMISSIONER: Anybody else got any observations to make?

MR. BOWEN: I may say, sir, that I would like to add another application right now so that it can be decided upon at this time. I would like Arthur Arnold recalled to the stand, and I so make an application to have him recalled.

This is on the basis, sir, that information has come to me since he was on the stand and arising perhaps out of evidence of other witnesses that I feel is pertinent and relevant to the Commission.

THE COMMISSIONER: Well, I am going to, this matter involves a matter of major procedure, and once I grant these applications then, of course, I put myself in the position that all the witnesses, we have had fifty-two of them, can be recalled and start going over this again, and I am certainly going to give this very careful consideration before I make

3-B-8

D. B. Menzies -

Discussion Re Recalling Witnesses

THE COMMISSIONER: (Cont.) a decision that is going to make that possible; so that I will reserve that now and give my decision tomorrow morning. If I decide that Mr. Menzies and Mr. Arnold should be recalled, then I will give an Order to that effect, and we will have them made available, but I will reserve that until tomorrow morning. It has wide implications because with the large number of witnesses I have here I want to be sure that my decision is the correct and proper one. So I will reserve on that basis until tomorrow morning at nine o'clock, so for the time being anyway, Mr. Menzies, you are free to leave.

MR. CLEMENT: Perhaps Mr. Menzies should come back at nine o'clock then.

THE COMMISSIONER: I think probably, Mr. Clement, I suppose it would be desirable if he is going to be examined at all to have him here at nine o'clock. I will consider the matter and get in touch with you, Mr. Clement, and perhaps you can have Mr. Menzies contacted. I don't like to bring him over here if he is not going to be required to give evidence.

MR. CLEMENT: That is true, except that if Your Lordship should decide the application should be granted then we will, well, I have no more business to bring before the Commission this morning, sir.

THE COMMISSIONER: I just don't like bringing Mr. Menzies over here unless it is necessary, and probably I could leave it that I will inform you.

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D. B. Menzies -

Discussion Re Recalling Witnesses

MR. BOWEN: Would the same apply, sir, to Mr.

Arnold, I gather, that you would inform Mr. Clement?

THE COMMISSIONER: Yes.

MR. BOWEN: Thank you kindly, sir.

THE COMMISSIONER: Can you come over here on about half
an hour's notice?

A Surely.

THE COMMISSIONER: Mr. Clement and I are generally here
about eight thirty in the morning anyway.

A That is all right, that's fine.

THE COMMISSIONER: If I don't let you know before then,
Mr. Clement, I will let you know at eight thirty in the
morning.

MR. CLEMENT: I am sure it doesn't take Mr. Menzies
long, you can be reached quite readily?

A I will be here at eight thirty.

THE COMMISSIONER: Have we any other witnesses this
morning, Mr. Clement?

MR. CLEMENT: No sir.

THE COMMISSIONER: Mr. Maynard?

MR. MAYNARD: Mr. Commissioner, we have had the
Honourable Mr. Hooke present this morning to start testifying
in the event that we made some progress, so that he would
be available for the Inquiry. However, I have had a slight
problem in connection with auditors. You will recall that
last Friday I undertook to get in touch with the various

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D. B. Menzies -
Discussion Re Recalling Witnesses

MR. MAYNARD: (Cont.) auditors in order to have them present for the purpose of reviewing various matters. I succeeded, as already indicated, with Mr. Jerry Robinson, but Mr. Dave Bentley was out of the City on Friday and is only returning today. Now, Mr. Bentley's evidence will relate to a period of Ideal Homes after 1955 and the preparation of the statement for 1962 that has already been filed as an Exhibit. Mr. Ches Tanner was the auditor for, or Mr. B. C. Tanner and Company were the auditors for Ideal Homes during the period from its inception until 1955, and Mr. Tanner was out of the City on Friday and has only returned yesterday, and I am making available to him all the documents that are now in the Court House relating to his working papers and so on, so that he can be prepared to come before the Inquiry.

We have had some difficulty with the auditor of Doral Developments Limited. The auditor for Doral Developments at the time Mr. Hooke was associated with the company was Don Fraser, who has, who was at that time a member of the firm of Geddes, Beaton, etc. Mr. Don Fraser has since left the firm and has established his own firm, Fraser and Mathews, and he has taken with him no records of Doral Developments. The firm of Geddes, Beaton, etc. has been taken over by the firm of Price Waterhouse, and I have been unable to obtain any information as yet from Price Waterhouse firm as to whether they have any records concerning Doral or what it is all about. As a substitute for this we could call Mr. Henning, the solicitor for Doral Developments at the time, who is

3-B-11

D. B. Menzies -

Discussion Re Recalling Witnesses

MR. MAYNARD: (Cont.) familiar with all the transactions, including the purchase of the land from the original owner, Mr. Dorash, including the sale of the land to one of Dr. Allard's companies, and including the sale price and the distribution of the monies, and so on. I cannot do any better than this, Mr. Commissioner, at the present time because I am unable to locate any auditor who has the records of Doral Developments at that time.

Now, the question I am concerned about is this: we have before us the financial statements of these various companies, Ideal Homes, Beaver Land, Doral Developments and so on; I am wondering whether these financial statements are sufficient for my friends, Mr. Gill and Mr. Wright, or whether they also wish to have the auditors or Mr. Henning called in order to discuss the financial statements as well. It is my conception that the statements speak for themselves, they are already put in, but if my friends wish to have the auditors called to discuss the financial statements, then we will certainly make an endeavour to have Mr. Tanner and Mr. Bentley present, and as to the Doral Developments, the only person we can call at this time to my knowledge is Mr. Henning.

THE COMMISSIONER: Mr. Gill?

MR. GILL: Without accepting the sudden expertise of my friend as a chartered accountant on his interpretation of the statements, I still am tempted to agree with him that I don't require to examine these people. We have the state-

3-B-12
D. B. Menzies -
Discussion Re Recalling Witnesses

MR. GILL: (Cont.) ments here and I think you can adduce from them
as well as anyone in this courtroom.

THE COMMISSIONER: Mr. Bowen?

MR. BOWEN: Pardon?

THE COMMISSIONER: What have you to say as to what Mr.
Maynard has suggested?

MR. CLEMENT: He wants to know if you want these
people here.

MR. BOWEN: I have no desire to have them here, sir.

THE COMMISSIONER: Mr. Crawford?

MR. CLEMENT: I misled Mr. Crawford.

MR. CRAWFORD: I would think that the accountants
that Mr. Clement indicated would be called, Mr. Tanner and
Mr. Bentley should be here, sir.

THE COMMISSIONER: Mr. Wright?

MR. WRIGHT: I have no particular submission.

THE COMMISSIONER: Well, if that is the case I guess we
will have to have Mr. Bentley and Mr. Tanner here. Do you
want Mr. Henning, Mr. Crawford?

MR. CRAWFORD: I don't want them. It struck me when
Mr. Maynard was making his submission that Mr. Geddes is the
senior partner of the firm that has been absorbed by Price
Waterhouse and is still a resident partner of Price Waterhouse
here, and if they have records that they should be the ones
to produce it. Mr. Henning will come and tell us that he
doesn't know anything in dollars and cents about it, and he

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D. B. Menzies -

Discussion Re Recalling Witnesses

MR. CRAWFORD: (Cont.) probably has some general impressions.

MR. CLEMENT: I think it is the other way around.

MR. MAYNARD: Mr. Commissioner, it is just the other way around actually. Mr. Henning is the one that negotiated the transactions and so on and put the deal through, and then supplied the auditor with the information relevant to the transaction in order to enable the auditors to prepare the necessary financial statements.

However, I will continue to endeavour to obtain someone from Price Waterhouse who may know something about Doral Developments and bring them here if my friend wishes. Do you want me to? This is not on the record. Mr. Crawford is shaking his head.

THE COMMISSIONER: Do you want Mr. Henning or do you want the head of the firm, Mr. Crawford?

MR. CRAWFORD: After hearing Mr. Maynard's explanation I don't want either of them, sir.

THE COMMISSIONER: Thank you.

MR. CLEMENT: I take it, sir, then that Mr. Bentley and Mr. Tanner will appear tomorrow morning and give such assistance as they can.

MR. MAYNARD: I cannot vouch for Mr. Bentley yet because he is not returning to the City until today. I will endeavour to get in touch with him as soon as we can this afternoon. I already have an appointment with Mr. Tanner to turn over to him all the records that have been in the

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D. B. Menzies -
Discussion Re Recalling Witnesses

MR. MAYNARD: (Cont.) Court House here for some two months, so that he can review them and be ready.

THE COMMISSIONER: Anything more, Mr. Clement?

MR. CLEMENT: Well, there is one thing, sir, that does occur to me, despite the clarity of Mr. Gill's view on the pertinence of the question he put to Mr. Menzies. Personally I am still at a little loss to understand what there is sinister about Mr., supposing Mr. Hooke did ask to see a file relating to Mr. Leger, supposing that did come out in evidence: I am afraid I don't quite get the connection between that and the real subject matter of this Inquiry. Perhaps Your Lordship understands it, but I merely raise the question because I don't think that that application can be dealt with particularly satisfactorily unless Your Lordship is clear that there is a real connection between this question and the subject matter of the Inquiry, and as far as Mr. Bowen is concerned, I would think the same observation might apply.

THE COMMISSIONER: I think perhaps Mr. Gill, then, and Mr. Bowen, you better clarify or state the purpose of your question to help me to determine whether or not it is relevant.

MR. GILL: You will recall that Mr. Leger was involved with Mr. Hooke in the South Bend Motel some time, I believe August of 1964.

MR. WRIGHT: Yes.

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MR. GILL: And the information that has come to me since Mr. Menzies was on the stand, and in fact since Mr. Hamilton was on the stand is that Mr. Hooke called Mr. Hamilton and asked to see Mr. Leger's file and the connection with Mr. Leger selling land to the City of Edmonton, and something was taken from the South Bend Motel; and I say that is completely relevant, sir, because if we have a Minister of Municipal Affairs interfering in that matter by asking for the file, surely there is the inference that this is an improper interference. We want to know first, did he actually make this request of Mr. Hamilton, what does Mr. Menzies know of it, and we may have to widen the application and have Mr. Hamilton here, so that I say it is completely relevant.

THE COMMISSIONER: Have you anything further to say on that application, Mr. Maynard?

MR. MAYNARD: No, I think I have said all I have to say, Mr. Commissioner. My point is still that we are re-opening the Inquiry to something that has been discussed and if we are going to start re-opening every time one of the counsel thinks of something else to ask a witness, well then we will never finish.

MR. GILL: Re-opening or covering up?

MR. CLEMENT: Now, there again?

THE COMMISSIONER: Now, Mr. Gill, I don't think you should make an imputation of that sort.

MR. GILL: I have said what I have said, sir, and

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MR. GILL: (Cont.) we have now information. I think we are entitled to hear it.

THE COMMISSIONER: Now, Mr. Bowen, will you indicate your reason for wishing Mr. Arnold -

MR. BOWEN: I find it quite strange, sir, that I should be called upon to indicate why I want the particular subject -

THE COMMISSIONER: I have to be satisfied that it is relevant, I just can't arbitrarily consent to witnesses being recalled without some basis to justify it.

MR. BOWEN: All right, let me say this, sir: my reasons for asking that Mr. Arnold be recalled is in connection with two of Mr. Hooke's friends. It is entirely within the ambit of the Inquiry. Those two friends are the Premier of this Province, who is a friend I think, and Mr. Arnold himself.

THE COMMISSIONER: Well, I will reserve on these two until tomorrow morning. Is there anything else, Mr. Clement?

MR. CLEMENT: Well, sir, there is just one point. Mr. Gill, and I think Mr. Wright asked that the Government go through the public accounts and furnish a summary of the payments to Mr. Hooke in respect of sessional indemnity, which of course is fixed by the House, salary, travelling expenses and miscellaneous payments over the years. This has now been done and I have been furnished with a summary certified as correct by the Provincial Auditor. If anyone

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MR. CLEMENT: (Cont.) wishes it put in it will be put in.

THE COMMISSIONER: It will be Exhibit -

MR. CLEMENT: I am not sure that anyone wishes it in.

THE COMMISSIONER: Do you want to put it in?

MR. CLEMENT: Well, I say if anyone wishes it put in

I will put it in.

THE COMMISSIONER: Yes, do you want this in, Mr. Gill?

MR. GILL: I beg your pardon?

THE COMMISSIONER: Do you want the statement in?

MR. GILL: Yes, please.

THE COMMISSIONER: It will be Exhibit 438.

MR. GILL: Thank you.

STATEMENT RESPECTING GOVERNMENT
PAYMENTS TO MR. HOOKE AS
PRODUCED, MARKED EXHIBIT 438.

MR. CLEMENT: I have no further business for the
Commission.

THE COMMISSIONER: We will adjourn then until tomorrow
morning at nine o'clock.

(The Hearing stood adjourned
at 12:30 P.M.)

